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July 29, 2022

SUBJECT: REQUEST FOR PROPOSAL FOR PROPERTY MANAGEMENT SERVICES

The Washington County Community Development Agency (CDA) invites proposal for Property Management Services.

Proposals will be accepted until 4:30 p.m. (CDST), on August 24, 2022. Proposals received after that time will be rejected without consideration. All interested parties are invited to a pre-proposal meeting held on August 17, 2022 at 2:00 p.m. at the CDA's office building.

Questions of a procedural nature may be directed to Aaron Christianson at aaronc@washingtoncountycda.org.

We look forward to receiving your proposal.

Sincerely,
Melissa Taphorn
Executive Director

1. **GENERAL INFORMATION**

1.1 **RFP Introduction**

The Washington County Community Development Agency (“the CDA”) invites proposals for property management services.

All proposals submitted in response to this solicitation must conform to all of the requirements and specifications outlined within this document in its entirety and any designated attachments.

For further information and/or updates on this RFP or any other CDA projects, you may go to the CDA website at <https://www.washingtoncountycda.org/our-organization/bids-proposals/>.

1.2 **Reservation of CDA Rights**

- A. The CDA reserves the right to reject any or all proposals, to waive any informality in the RFP process, or to terminate the RFP process at any time, if deemed by the CDA to be in its best interests.
- B. The CDA reserves the right not to award a Contract pursuant to this RFP.
- C. The CDA reserves the right to terminate a Contract awarded pursuant to this RFP, at any time for its convenience.
- D. The CDA reserves the right to determine the days, hours and locations that the successful proposer(s) shall provide the services called for in this RFP.
- E. The CDA reserves the right to negotiate the fees proposed by the proposed entity.
- F. The CDA reserves the right to reject and not consider any proposal that does not meet the requirements of this RFP, including but not necessarily limited to incomplete proposals and/or proposals offering alternate or non-requested services.
- G. The CDA shall reserve the right at any time during the RFP or contract process to prohibit any further participation by a proposer or reject any proposal submitted that does not conform to any of the requirements detailed herein.
- H. The CDA is subject to the disclosure requirements of the Minnesota Data Practices Act. This act will apply to all submitted proposals to the CDA.

1.3 **CDA Background**

The Washington County CDA is a local governmental unit created in 1981 by a special act of Minnesota State Legislature, pursuant to the Laws of Minnesota for 1974, Chapter 475. The CDA has all the powers of a housing and redevelopment authority and an economic development authority provided under Minnesota Statutes to serve Washington County, Minnesota. Washington County is home to nearly 268,000 (2021) people living in 33 cities and townships encompassing over 400 square miles. The governing body of the CDA consists of a seven-member Board of Commissioners (Board) appointed by the county commissioners to serve three-year terms.

The CDA owns in whole or in part 1,146 rental units. The CDA is the sole owner of 958 units across 73 residential properties, consisting of 14 multifamily senior and family developments and 59 scattered site units. The CDA is an ownership partner and managing member of an additional three residential properties, totaling 188 units.

In addition to the property portfolio, the CDA has established housing programs that serve over 4,000 households in the County including rental assistance programs, and home ownership and foreclosure prevention counseling programs. The CDA also acts as an ongoing resource for information about housing and community development issues including housing market data, housing needs, and various government programs related to housing,

community development and economic development.

The mission of the Washington County CDA is:

Our mission is to improve the lives of Washington County residents. We do this by providing access to affordable housing and supporting community and economic development in local municipalities.

The CDA serves and embodies a diverse community; therefore, it is crucial that contractors understand the effects of race, class, ethnicity, income, and other issues of difference in our society, and display a high level of cultural competency throughout their interactions with the CDA. The CDA also has a goal of promoting growth and development of small businesses (which includes minority, women-owned and veteran-owned firms). The CDA is committed to having a diversified vendor base. Thus, the CDA requires vendors to “undertake good faith efforts to ensure that Minority Business Enterprises and Woman Business Enterprises are provided opportunities to contract with the CDA for the delivery of goods and services.”

2. SCOPE OF WORK

2.1 General Information

- A. Under the direction of Washington County CDA staff, the selected Proposer will be required to provide full service professional property management and maintenance services for the rental communities listed below (the Properties).
- B. Raymie Johnson Estates senior housing and the Raymie Johnson Estates family townhomes are project-based Section 8 properties. As a result, the Proposer will be required to verify tenant income on an annual basis, process interim income verifications when needed, compile monthly reports for Housing Assistance Payments to the Minnesota Housing Finance Agency, and report tenant information into Yardi.
- C. Tenants in the Park Place Apartments in St. Paul Park are subject to the income requirements promulgated under HUD’s HOME program. The Proposer will be expected to maintain these files in compliance with federal regulations.
- D. Because almost all of the CDA’s non-Scattered Site properties are financed with tax-exempt bonds, the compensation arrangements of property managers are governed by Internal Revenue Code requirements to avoid “private business use” of the properties by the property manager. Under these rules, a substantial portion of the property manager’s compensations will be based on a periodic fixed payment. For your information, permissible compensation arrangements are described in Internal Revenue Service Rev. Proc. 97-13. Proposals need *not* set out a suggested compensation formula intended to comply with the tax law requirements. However, estimated annual costs of management services and staffing must be included in your proposal.

Attachment to the Proposal Instructions: Fee Proposal provides the estimated gross rents at 100% occupancy and laundry income for all properties

PROPERTY	OCCUPANCY TYPE	UNIT MAKE-UP	YEAR BUILT	RESTRICTIVE FUNDING
Oakhill Cottages 14600 Oakhill Court North Scandia, MN 55073	Senior	8 - 1BR 32 - 2BR	1983	Bonding – 80% AMI
John Jergens Estates 57 – 189 14 th Avenue SE Forest Lake, MN 55025	Senior	16 - 1BR 14 - 2BR	1990	Bonding – 80% AMI
Muller Manor 14235 Forest Blvd.	Senior	18 - 1BR 10 - 2BR	1989	Bonding – 80% AMI

Hugo, MN 55038				
Ann Bodlovick Apartments 2400 West Orleans Street Stillwater, MN 55082	Senior	32 - 1BR 18 - 2BR	1991	Bonding – 80% AMI
Cobble Hill Apartments 2600 Cobble Hill Drive Woodbury, MN 55125	Senior	18 - 1BR 27 - 2BR	1992	Bonding – 80% AMI
Pioneer Apartments 900 Third Street St. Paul Park, MN 55071	Senior	17 – 1BR 1 – 2BR	1926	Bonding – 80% AMI
Raymie Johnson Estates 14830 58th Street North Oak Park Heights, MN 55082	Senior	91 – 1BR 5 – 2BR	1970	Project Based Section 8 Contract
Raymie Johnson Townhomes 14830 58th Street North Oak Park Heights, MN 55082	Family	14 – 2BR 10 – 3BR	1970	Project Based Section 8 – 50% AMI
TrailSide Senior Living 19850 Forest Road Forest Lake, Minnesota 55025	Senior	36-1BR 34-2 BR	2011	Bonding – 80% AMI
Briar Pond 1591 Granada Avenue North Oakdale, MN 55128	Family	90 – 1BR 74 – 2BR 24 – 2BR TH 8 – 3BR TH	1991	HUD Insured Mortgage – 80% AMI
Park Place I and II 300-380 Pullman Avenue 1208 3 rd Street St. Paul Park, MN 55071	Family	7 – 1BR 35 – 2BR	1963	Bonding – 80% AMI
Brick Pond Apartments 1635 South Greeley Street Stillwater, MN 55082	Family	3 – 1BR 27 – 2BR 10 – EFF TH	1993	Bonding – 80% AMI
Woodland Park Apt. 7920 Hearthsides Avenue Cottage Grove, MN 55016	Family	60 – 1BR 56 – 2BR 48 – 2BR TH 16 – 3BR TH	1988	Bonding – 80% AMI
Single Family Home 4984 Grenwich Trail Oakdale, MN 55128	Transitional Housing	1 – 2 BR	1972	Minnesota Housing – 30% AMI
Single Family Home 2879 – 2881 Hillvale Court Oakdale, MN 55128	Transitional Housing	2 – 3BR	1985	Minnesota Housing – 30% AMI
Whispering Pines 7 NE 5 th Avenue Forest Lake, MN 55025	Senior & Disabled Persons	40 – 1BR	1971	Public Housing
The Groves Apartments 7752 Hemingway Ave S Cottage Grove, MN 55016	Family	68 – 3BR	1986	LIHTC – 60% AMI
Piccadilly Square 70 Mahtomedi Ave Mahtomedi, MN 55115	Senior	60 – 1BR 19 – 2BR	2016	LIHTC – 60% AMI, 50% AMI
The Glen at Valley Creek 7995 Afton Rd Woodbury, MN 55125	Senior	27 – 1BR 15 – 2BR	2020	LIHTC – 60% AMI, 50% AMI, 30% AMI

SCATTERED SITE UNIT LOCATIONS	OCCUPANCY TYPE	UNIT SIZE	UNIT TYPE	YEAR BUILT	RESTRICTIVE FUNDING
Cottage Grove, MN 55016	Family	3	SF	1962	80% AMI
St. Paul Park, MN 55071	Family	3	SF	1961	80% AMI
Woodbury, MN 55125	Family	2	TH	1993	80% AMI
Oakdale, MN 55128	Family	2	TH	1994	80% AMI
Cottage Grove, MN 55016	Family	4	SF	1991	80% AMI
Cottage Grove, MN 55016	Family	4	SF	1962	80% AMI
Oakdale, MN 55128	Family	2	TH	1983	80% AMI
Oakdale, MN 55128	Family	3	TH	1990	80% AMI
Oakdale, MN 55128	Family	3	TH	1973	80% AMI
Oakdale, MN 55128	Family	3	SF	1988	80% AMI
Oakdale, MN 55128	Family	2	TH	1972	80% AMI
Oakdale, MN 55128	Family	2	TH	1985	80% AMI
Woodbury, MN 55125	Family	2	TH	1992	80% AMI
Woodbury, MN 55125	Family	2	TH	1992	80% AMI
Woodbury, MN 55125	Family	3	TH	1978	80% AMI
Cottage Grove, MN 55016	Family	3	SF	1959	80% AMI
Cottage Grove, MN 55016	Family	3	SF	1958	80% AMI
Cottage Grove, MN 55016	Family	3	SF	1959	80% AMI
Woodbury, MN 55125	Family	2	TH	1981	80% AMI
Woodbury, MN 55125	Family	2	TH	1982	80% AMI
Woodbury, MN 55125	Family	3	TH	1973	80% AMI
Woodbury, MN 55125	Family	2	TH	1978	80% AMI
Cottage Grove, MN 55016	Family	2	TH	1972	80% AMI
Cottage Grove, MN 55016	Family	2	TH	1980	80% AMI
Cottage Grove, MN 55016	Family	3	TH	1972	80% AMI
Woodbury, MN 55125	Family	2	TH	1981	80% AMI
Cottage Grove, MN 55016	Family	3	SF	1964	80% AMI
Cottage Grove, MN 55016	Family	2	TH	1980	80% AMI
Woodbury, MN 55125	Family	3	TH	1973	80% AMI
Woodbury, MN 55125	Family	3	TH	1978	80% AMI
Woodbury, MN 55125	Family	2	TH	1981	80% AMI
Woodbury, MN 55125	Family	2	TH	1978	80% AMI
Oakdale, MN 55128	Family	4	SF	1991	80% AMI
Oakdale, MN 55128	Family	4	SF	1987	80% AMI
Oakdale, MN 55128	Family	2	TH	1993	80% AMI
Woodbury, MN 55129	Family	2	TH	1997	80% AMI
Woodbury, MN 55125	Family	2	TH	1997	80% AMI
Woodbury, MN 55125	Family	2	TH	1972	80% AMI
Woodbury, MN 55125	Family	3	TH	1997	80% AMI
Woodbury, MN 55125	Family	2	TH	1996	80% AMI
Woodbury, MN 55125	Family	3	TH	1997	80% AMI
Woodbury, MN 55125	Family	2	TH	1999	80% AMI
Woodbury, MN 55125	Family	2	TH	1999	80% AMI
Woodbury, MN 55125	Family	2	TH	1999	80% AMI
Woodbury, MN 55125	Family	2	TH	1999	80% AMI
Woodbury, MN 55125	Family	2	TH	1999	80% AMI
Woodbury, MN 55125	Family	3	TH	1987	80% AMI
Woodbury, MN 55125	Family	3	TH	1985	80% AMI
Woodbury, MN 55125	Family	2	TH	1997	80% AMI
Woodbury, MN 55125	Family	2	TH	1996	80% AMI
Woodbury, MN 55125	Family	2	TH	1998	80% AMI
Woodbury, MN 55125	Family	4	TH	1990	80% AMI
Woodbury, MN 55125	Family	3	TH	1987	80% AMI
Woodbury, MN 55125	Family	3	TH	1984	80% AMI
Woodbury, MN 55125	Family	2	TH	1984	80% AMI
Woodbury, MN 55125	Family	3	TH	1979	80% AMI

2.2 **Governing Documents**

The management of the Properties shall be carried out subject to all applicable laws and regulations, amended from time to time, including specifically, but without limitation, laws and regulations cited below and the documents identified below:

- A. United States Housing Act of 1937, as amended from time to time, or any successor legislation (the "Act").
- B. The Fair Housing Act, 42 U.S.C. 3601-19, and regulations issued thereunder, 24 CFR Part 100; Executive Order 11063 (Equal Opportunity in Housing) and regulations issued thereunder, 24 CFR Part 107; the fair housing poster regulations, 24 CFR Part 110, and advertising guidelines, 24 CFR Part 109.
- C. Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d, and regulations issued thereunder relating to non-discrimination in housing, 24 CFR Part 1.
- D. Age Discrimination Act of 1975, 42 U.S.C. 6101-07, and regulations issued thereunder, 24 CFR Part 146.
- E. Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. 794, and regulations issued thereunder, 24 CFR Part 8; the Americans with Disabilities Act, 42 U.S.C. 12181-89, and regulations issued thereunder, 28 CFR Part 36.
- F. Fair Housing Act, 42 U.S.C. 3601, et seq., and regulations issued thereunder, 24 CFR 100.
- G. Minnesota Human Rights Act, Minnesota State Statutes 363A.
- H. Washington County CDA Admissions and Continued Occupancy Plan.

2.3 **Management Goals**

- A. The Proposer shall provide a desirable, well-maintained, habitable, and affordable place to live for an economically, racially and ethnically integrated resident population, without discrimination against race, color, creed, religion, national origin, sex, marital status, disability, public assistance, sexual orientation, gender identity, or familial status.
- B. The Proposer shall conduct the admission process for eligible households and is responsible for collecting and maintaining documentation that demonstrates compliance with applicable program and funding restrictions.
- C. The Proposer shall provide effective and timely property management services and maintenance services.
- D. The Proposer shall maintain effective working relationships with the CDA and municipalities including police departments.
- E. The Proposer shall maintain a vacancy rate below two percent (2%) every month or provide mitigating circumstances explaining why the goal was not accomplished.
- F. The Proposer shall maintain Tenant Account Receivables at ninety-eight percent (98%) or higher. This number may exclude Account Receivables for tenants who are at various stages of the court proceedings.
- G. The Proposer shall close all Emergency Work Orders within 24 hours and Routine Work Orders within 30 calendar days.
- H. The Proposer shall perform unit turnover on an average of fifteen (15) business days or less.
- I. The Proposer shall monitor the budget on the monthly basis and provide an explanation for any variances exceeding five (5) percent

2.4 **Management Standards and Plan**

- A. The Proposer shall furnish the services of its organization with the highest degree of professionalism

and ethical management practices, maximize economic returns for the CDA that are consistent with private property management practices, and (3) ensure full compliance with federal, state, and municipal laws, ordinances, regulations and orders related to the operation of the Properties.

- B. The Proposer shall operate and maintain the Properties as if it were a market-rate apartment complex on a standard equal to other apartment complexes with comparable facilities and amenities within the surrounding community.
- C. Within thirty (30) days of the commencement date of the contract with the CDA, the Proposer shall submit three (3) copies and an electronic file of a Comprehensive Management Plan for each property. The Management Plan shall demonstrate or address maintenance, marketing, utilization, and economic development of the Property. The Management Plan shall include the Proposer's recommendations for achieving maximum economic return on the property and all policies or actions will be subject to approval by CDA prior to their implementation. At a minimum, the Management Plan shall include:
 - a. An affirmative marketing plan including a property description, an analysis of the neighborhood surrounding the property, and intended media sources to reach the resident profile most effectively.
 - b. A plan for selecting tenants and maintaining interest or waiting lists.
 - c. An annual operating budget, long term financial projections, rent/subsidy management systems, and recordkeeping and reporting system.
 - d. A staffing plan.
 - e. A resident relations plan including a resident handbook, security policy, resident retention activities.
 - f. A plan for the management of community rooms and common spaces.
 - g. A plan for preventive and long-term maintenance of the property.
 - h. A plan for inventory control of furnishing and appliances.

2.5 **General Requirements of Proposer**

The following is a general outline of basic services to be provided by the Proposer. Services not specifically listed which are incidental to the items listed, should be anticipated and also considered.

Property management services to be provided by the Proposer will include, but not be limited to the following:

- Property Management, Reporting, and Transition (if necessary)
- Leasing
- Marketing of Vacancies
- Unit Inspections
- Operation and Maintenance
- Financial Management and Reporting
- Recordkeeping and Computer Tracking
- Procurement Requirements
- Resident Management Relations
- Monthly Reporting
- Employees
- Coordination with CDA Attorney
- Public Housing Requirements

The Proposer will be responsible for the full range of services herein identified. In performance of these responsibilities, the Proposer must comply with all applicable federal, state and local laws.

The CDA will require the Proposer to use the CDA's approved property management and financial

management system (Yardi) that will allow various reporting on-site performance to be done electronically with CDA's staff having full access to the system. All property management staff will be required to have in-depth initial training and undergo additional training every two years following commencement of the contract.

As part of the contract, the Proposer must submit a data conversion and implementation plan to be approved by the CDA. The Proposer is responsible for putting together an implementation team that will closely work with the CDA conversion team to set up property data in YARDI to go live at the contract commencement date.

A. Property Management, Reporting, and Transition

The Proposer will:

- a Operate the property at a generally accepted industry standard level for companies providing housing services to family and elderly populations. Maintain management hours at the Properties, subject to the further agreement of the CDA and Proposer as to more specific terms.
- b Make a detailed site inspection and within thirty (30) days of contract award, prepare and submit to CDA the following:
 - c An Operating Budget for fiscal year starting on January 1, 2023 and ending December 31, 2023, using projected operating subsidy calculations and projected tenant income if one hasn't been developed and adapted by CDA.
 - d A written statement of anticipated start-up costs to be agreed upon and approved by CDA.
 - e A written Building Operation Plan, identifying necessary and preventive actions to maintain and extend the life of the structure and mechanical systems. The Building Operation Plan will include the following, but not necessarily be limited to:
 - i A preventative maintenance plan and monthly schedule;
 - ii An assessment of necessary, immediate, and projected, (two-year) capital improvements (including identification of any building alterations/modifications to accommodate on-site operations, with cost estimates);
 - iii An assessment of safety, fire and security issues;
 - iv Specific assessment of the condition of the system(s), elevators and roofs; and
 - v Annual management inspections of building systems including roofing, fire, heating, water, and electrical systems.
- f A Monthly Property Report, on or before the 12th of the second month of the Contract, and on the 12th of each month thereafter, containing the following information:
 - i Statement of receipts and disbursements reflecting comparison and variance of budget to actual for current month and year-to-date, with an explanation for any significant variances;
 - ii Completed Owner Property Management report including a narrative summary of problem areas, steps or recommendations to rectify, and a summary of maintenance activities;
 - iii Occupancy and availability reports including unit turn around, lease- up times, and a description of external barriers preventing lease-up for units vacant more than 30 days.;
 - iv Accurate and complete rent roll;
 - v Aged delinquency report;
 - vi Leasing Renewal and, for applicable properties, Recertification schedule;
 - vii Any balances shown to be due to the CDA;
 - viii Itemization of all expenses, bills and invoices;
 - ix Enter directly onto the PIC business system all household information as required for Hud 50058 transmission, unless an alternative method is approved;
 - x A monthly and annual report on emergency and routine work orders and their completion times for the property; and
 - xi Any other reports as required by the CDA.

- g Charge the CDA a monthly Residential Property Management fee and bookkeeping fee based on a monthly rate per dwelling unit managed. Except as otherwise provided in this Agreement, all management overhead expenses not directly related to on-site Project activities as identified in the approved budget will be borne by the Proposer out of its own funds and will not be treated as property expenses nor recorded in the property's General Ledger.
- h Establish and maintain a comprehensive system of records, books, and accounts, including, but not limited to, resident records, maintenance records, resident applications, credit reports when obtained, leases, and work orders, in a manner conforming to the directives of the Regulatory Authority, and otherwise satisfactory to the CDA. All records, books and accounts will be subject to examination at reasonable hours by any authorized representative of the CDA and/or the Regulatory Agency.
- i Furnish information (including occupancy reports) and facilitate inspections when requested by the CDA, from time to time, with respect to the financial, physical, or operational condition of the Project.

B. Leasing

- a During the Term, the Proposer shall handle all negotiations with prospective residents of the Properties and shall have the right to execute and enter into, on behalf of the CDA, any and all leases or rental agreements ("Leases"), of residential units and any extension and renewal of said Leases, provided, however, that without the prior written consent of the CDA, the Proposer shall not enter into any Lease with any person for a term in excess of one (1) year. The Proposer shall submit the proposed form of lease agreement to the CDA for its written approval prior to the Proposer's use of said lease agreement. Any changes, alterations, or modifications thereof must be approved in writing by the CDA prior to use.
- b The Proposer shall be and act as the CDA's exclusive Proposer in leasing the Property.
- c The Proposer shall screen potential applicants and assign these families to the complex for final placement according to the CDA's Admissions and Continued Occupancy Policy and the Limited English Proficiency Plan, which will be provided by the CDA. It should be noted that the CDA is committed to comprehensive resident screening to assure that all residents have the ability and willingness to abide by the lease, and also to achieve a broad range of social and economic groups. It is the expectation of the CDA that the Proposer will operate under the same standard.
- d The Proposer shall formulate, institute and amend as required marketing strategies, tenant retention programs and/or other actions/activities acceptable to the CDA to best manage the property on behalf of the CDA.
- e The Proposer shall comply with Fair Housing and Human Rights laws. The Proposer shall also conduct criminal background checks of each prospective resident and obtain references from the prospective resident's previous landlords, to the extent deemed necessary by the Proposer, to protect the CDA against financial losses and other liabilities. All expenditures incurred by the Proposer for duties described in this Paragraph shall be considered operating expenses of the property.
- f All lease terms including, but not limited to, rental rate, rental concessions, and security deposits are to be determined in the Annual Operating Budget. Any deviations from the Annual Operating Budget require prior written approval by the CDA.
- g The Proposer will be responsible for executing and enforcing the Lease Agreement.
- h The Proposer shall document and initiate eviction actions in a timely manner where appropriate for all matters involving non-payment of rent or material lease violations in accordance with the federal, state and local laws. The Proposer shall work with the residents to mitigate causes for eviction and provide referrals to the agencies that can assist with rent payments.
- i The Proposer is authorized to serve "notices to vacate" on tenants and to institute any action or proceeding it deems necessary to recover possession of leased premises; or to recover rent, charges, or other sums payable to the CDA. The Proposer may compromise and settle or

otherwise discontinue any such action or proceeding provided the Proposer first obtains the CDA's written approval. In exercising the authority granted by this Paragraph, the Proposer may incur collection fees, costs, and legal fees as agreed to in writing by the Proposer and the CDA. Any such fees or costs shall be considered operating expenses of the Property.

- j The Proposer shall collect a security deposit from each resident in a reasonable amount or as authorized in writing by the CDA. The Proposer shall collect and disburse each security deposit in accordance with the requirements for the governing Lease and then applicable law. The Proposer shall deposit each security deposit in a separate interest bearing trust account for the Property, separate from all other accounts and funds.
- k The Proposer shall receive, consider, and respond to all resident complaints or problems in a professional manner consistent with the Proposer's authority and duties described in this RFP.

C. Marketing of Vacancies

- a The Proposer shall aggressively pursue marketing practices that minimize vacancies and target residents (for properties with income, age, or other restrictions) in compliance with all applicable laws. Marketing and leasing efforts shall feature the site, recent renovation, and amenities offered at the property.
- b The Proposer shall market the Property by using a full complement of available advertising media and shall respond to all lease referrals. The Proposer shall charge all expenses of advertising to the Property's accounts as an operating expense, as limited by the Annual Operating Budget.
- c The Proposer shall maintain current and accurate tenant interest lists and waiting lists for each property in compliance with all applicable program regulations.
- d The Proposer shall prepare a market survey of comparable properties on an annual basis, prior to June 1 of each year.
- e The Proposer shall prepare a market analysis to determine rent and other income based on the target tenancy and market of each Property.

D. Unit Inspections

- a The CDA requires that each unit be inspected at least once annually.
- b The Proposer is responsible for preparing the appropriate inspection forms as may be promulgated by HUD or the CDA in order to complete a comprehensive inspection of each unit and property on an annual basis.
- c The Proposer must maintain inspection records in accordance with CDA record retention policy.

E. Operations and Maintenance

The Proposer shall, at all times, maintain the property in a good, clean, habitable, and attractive condition acceptable to the CDA. The CDA has adopted a Maintenance Policy to guide the Proposer with a variety of decisions pertaining to maintenance procedures. Repairs shall be performed, as necessary, and shall be budgeted as part of the operating expense of the Property. To this end, the Proposer shall:

- a Perform the following, subject to any limitations imposed by the CDA, all interior and exterior cleaning, painting, decorating, and carpentry; the periodic inspection, maintenance and repair of plumbing, heating, and ventilating systems, stoves and refrigerators; the periodic inspection, maintenance of outdoor grounds and facilities; and any other routine maintenance and repair work that becomes necessary. The Proposer must maintain and adhere to the preventive maintenance schedule and provide the records of the preventive maintenance to the CDA's staff upon request.
- b Prepare vacant units for occupancy. Turn around for each vacant unit will be completed within fifteen (15) business days from move out, unless there are extenuating circumstances such as a death or major damage. At least ninety-eight percent (98%) of the units at each site are to be market ready at all times. Pre-occupancy inspections shall be completed for each unit with

Proposer and tenant identifying in writing the condition of the unit at the time of occupancy.

- c Systematically and promptly receive and investigate all service requests from tenants, no later than 10 calendar days, take any necessary action, and keep records of the action taken. Emergency repair requests shall be received and serviced on a 24-hour basis. Complaints of a serious nature (i.e. deaths, crime reported, etc.) shall be reported to the CDA at the conclusion of an investigation by the Proposer. Emergency repair requests include, but are not limited, to the following:
 - i Gas leaks
 - ii Broken water lines
 - iii Toilet stoppage
 - iv Exposed/frayed electrical wires, exposed fuse box connection, electrical failure throughout the unit
 - v Burst water heater
 - vi Destruction of exterior door (front/rear). Door broken and unable to lock.
 - vii Broken window/window lock (front/rear of unit)
 - viii Defective or omission smoke detectors
 - ix Elevator failure
 - x Collapsing wall and ceiling
 - xi Main line stoppage
 - xii No water in unit
- d Purchase materials, supplies, equipment, tools, and services that are necessary for the operation and maintenance of the Property and maintain a current inventory of the same.
- e The purchasing and procurement of goods and services must be done in accordance with the CDA's Procurement Policy. Any construction work completed on the Public Housing units in excess of \$2,000 will also be required to comply with Davis Bacon requirements (Davis-Bacon Act, 40 U.S.C. Sections 276a et seq.).
- f The maintenance work and housekeeping services paid to the Proposer's employees on the Public Housing units must be consistent with annual wage rates established by HUD under the Davis Bacon federal requirements.
- g Perform preventive maintenance of the Property to preserve the physical assets in accordance with sound property management practices. Included among these responsibilities are periodic inspections of sidewalks, walkways, stairs and paved areas to identify trip and other hazards and remediate the same in a timely manner.
- h Procure consultants and specialty contractors as necessary, for the maintenance and repair of air conditioning and heating systems, elevators and other items requiring special maintenance and repair skills not usually possessed by regular maintenance employees, when approved by the CDA.
- i Conduct fire alarm system tests on a monthly basis. Conduct smoke detector tests semi-annually. Conduct emergency power tests on the quarterly basis. Maintain written records of such inspections on site. Conduct fire drills at least annually. Training for staff and residents on fire, tornados, and crime prevention shall be conducted on an annual basis or more frequently if determined reasonably necessary in response to circumstances such as an increase in crime or the occurrence of a natural disaster.
- j Coordinate with and accompany inspectors from the CDA, the CDA's insurance carrier, HUD's Real Estate Assessment Center, and other CDA's-authorized parties.

k Obtain and maintain in full force and effect, all licenses and permits required by law.

F. Financial Management and Reporting

a Collection and Disbursement of Revenues

- i The Proposer shall use diligent efforts to collect all rents and all other charges of whatever kind or nature those become due at any time from any space, tenant or other uses of the properties. The Proposer is also responsible for the collection of other fees from tenants, or other forms of revenue. The Proposer shall help to recover bad debts by providing information to the CDA that the CDA will enter into the State of Minnesota Revenue Recapture Program.
- ii As requested, the Proposer shall assist the CDA with the operating and capital improvement budget for the properties for the next calendar year.
- iii The Proposer shall be responsible for assuring that all invoices for the services necessary to properly operate and maintain the properties are reviewed and approved on a weekly basis.
- iv The Proposer shall organize and maintain a system of controls designed to ensure the authenticity of bills, invoices, and statements charged and paid to prevent theft, error, or fraudulent activity. This system of controls must be detailed in the Management Plan and approved in writing by the CDA. The Proposer shall also comply with the CDA's policies regarding such issues as directed.

b Annual Operating Budget

- i The Proposer shall prepare and submit to the CDA for approval, an Annual Operating Budget including, but not limited to, rents and other income and expenses, for the Fiscal Year beginning January 2023 (if requested), and for each calendar year thereafter during the term of this Contract. The Proposer shall begin the budget planning process in March/April of the preceding fiscal year (or earlier depending on the CDA's established timeline) except in the case of the first year of the Term where the Budget shall be submitted to the CDA within thirty (30) days of the Commencement Date.
- ii Any changes to this submittal schedule shall be approved by the CDA in writing. The CDA shall promptly inform the Proposer of any changes to be incorporated in the Budget, and the Proposer shall keep the CDA informed of any anticipated and actual deviations from the receipts or disbursements set forth in the approved Budget. Disbursement for each type of operating expense itemized in the Budget may not exceed the amount authorized in the approved Budget without prior written approval from the CDA.
- iii For expenses over \$5,000 that are not authorized in the approved Budget, the Proposer must receive pre-approval from the CDA before the expense can be incurred.
- iv Receipts shall be provided for all disbursements.

G. Record Keeping and Computer Tracking

- a The Proposer shall be granted access to the CDA's Yardi Voyager system. It is expected that the proposer can use Yardi to keep detailed tenant rent roll listing by unit, tenant name, suite or apartment number, base rent, parking fees and other charges, total rent due, and the amount of any security deposits being held. Security deposit subsidiary ledgers should be listed by unit with detail of deposits received or refunded or forfeited. Same for the rent receivable subsidiary ledgers. Rents receivable should be listed by unit with detail of rent charged, payments received and outstanding balance due. The subsidiary ledgers must agree to the general ledger. Proposers who cannot demonstrate their knowledge and current and/or previous experience with Yardi Voyager will not be considered.
- b The Proposer shall maintain appropriate tenant income records for the Raymie Johnson properties, complete monthly reports for Housing Assistance Payments, and enter the required data into Yardi Voyager by the seventh of each month.

- c The Proposer shall use diligent efforts to collect all rents (including escalation billings resulting from a tenant's participation in increases in expenses, taxes and common area maintenance charges or by reason of increases in the consumer price index or any other formula) and all other charges of whatever kind or nature which become due at any time for any space, tenant or other users of the properties. The Proposer shall collect and identify any income due to the CDA from miscellaneous services provided to tenants or the public including, but not limited to, parking fees, tenant storage, building services or coin operated machines of all types.
- d Yardi is used at all properties to track the status of work orders, tenants, tenant issues, vacancy of units, details of turnover procedures and other information as directed by the CDA. The Proposer would be responsible to continue using the existing system to ensure these transactions can be accurately recorded.

H. Procurement Requirements

- a The CDA and the Proposer agree to obtain contract materials, supplies and services at the lowest possible cost and on the terms most advantageous to the Project and to secure and credit to the Project all discounts, rebates or commissions obtainable with respect to purchases, service contracts and other transactions on behalf of the Project.
- b The Proposer shall solicit written cost estimates (i.e., bids) from at least three (3) firms or suppliers for any work item which the CDA estimates will cost \$2,000 or more and for any contract or ongoing supply or service arrangement which is estimated to exceed \$2,000 per year. The Proposer agrees to accept the bid which represents the lowest price taking into consideration the bidder's reputation for quality of workmanship per industry standard, and/ or materials of equal or better quality than the ones they are replacing as well as timely performance, and the time frame within which the service or goods are needed.
- c The Proposer shall prepare maintain a comprehensive file system that includes records of all correspondence, responses to quotations or bids, financial and budget information or other documentation by property.

I. Resident Management Relations

- a In HUD-assisted projects, the CDA supports and facilitates a Resident Advisory Board. The Proposer shall comply with applicable federal regulations governing tenant participation in multifamily housing programs at 24 CFR 245 et seq.
- b The CDA is committed to building positive relationships with our residents through empathetic and intentional service delivery. The Proposer will be required to exhibit these same values in customer service.
- c The Proposer shall establish an emergency phone line with 24-hour service to respond to emergencies.
- d The Proposer shall respond to all tenant inquiries and comply with the standards and policies of the CDA's Maintenance Policy.
- e The Proposer shall be knowledgeable about Fair Housing Laws and train management staff regarding Fair Housing compliance issues on a regular basis.
- f The Proposer shall establish a complaint resolution process and work with the CDA to resolve tenant disputes.
- g The Proposer shall attend monthly management meetings with CDA staff.
- h The CDA will be responsible for contracting with a services coordinator at the senior properties. The Proposer will make office space available for the coordinator and communicate where appropriate on matters with potential impacts to residents.

J. Monthly Reporting

- a The Proposer is responsible for preparing and presenting a monthly report to the CDA Board of Commissioners.

- b The monthly report must be in narrative form and summarize the occupancy, vacancy, to-date budget statistics on revenues and expenditures, and identify the status of improvements, problems, or concerns. The report shall be submitted to the Finance Director one week in advance of the Board meeting, which occurs the third Tuesday of every month.
- c The Proposer shall have a representative at each monthly Board meeting, unless otherwise directed.

K. Employees

- a The Proposer shall, at all times, have in its employ a sufficient number of capable employees to enable it to properly, adequately, safely and economically manage, operate, maintain and account for the properties. All employment arrangements regarding the management of the properties are the sole responsibility and concern of the Proposer; and the CDA shall have no liability with respect thereto. Such employment arrangements include all matters pertaining to the hiring, employment, supervision, compensation, promotion and discharge of such employees. The Proposer, which is in all respects the employer of such employees, shall fully comply with all applicable laws and regulations having to do with worker's compensation, social security, unemployment insurance, hours of labor, wages, working conditions and other employer-employee related subjects. Regarding such arrangement and related matters, the Proposer is engaged independently in the business of managing the properties as an independent contractor. To the extent the CDA maintains direct control over the Proposer's actions under the terms of the management agreement, or as otherwise required by law consistent with the terms the managing agreement, the Proposer shall be considered an agent of the CDA.
- b The Proposer must establish caretaker positions at all properties except for scattered site locations. The caretaker is responsible for the general and basic caretaking of the property and may be asked to complete minor maintenance and first response to emergency situations.
- c The Proposer must establish job descriptions for each caretaker according to the specific property's needs.
- d The Proposer will provide a list of its employees assigned to the Property, along with the respective job descriptions, resumes, and relevant certifications, to the CDA. The assigned employees will be privy to and have access to personal CDA's tenant information. The Proposer shall have on file a signed employee non-disclosure agreement from every assigned employee made available to the CDA if requested.
- e It will be the responsibility of the Proposer to provide all payment of wages, benefits and payroll taxes for all employees of the Property, subject to any HUD regulations.
- f The Proposer will screen, hire, train and supervise competent personnel for maintenance and operation of the Property and retain other sub-agents and/or service providers as provided for in the operating budget. In such hiring and contracting, adhere to the Section 3 of the Housing and Development Act of 1968.

L. Coordination with CDA Attorney

- a The Proposer shall work with the CDA's designated legal counsel when necessary to handle grievances, to process unlawful detainers, and to complete evictions.
- b The Proposer shall be present at all legal proceedings regarding the disposition of cases affecting the tenants or in the case where tenants have filed actions against the CDA.

M. Public Housing Requirements

- a The Proposer will be expected to implement the necessary tracking systems and inspection protocols to meet the requirements of HUD's Public Housing Assessment Standards (PHAS). PHAS is a means for HUD to evaluate the CDA and its operation of public/publicly assisted housing. A majority of these requirements will only apply to the Public Housing Units, although there are some criteria that will apply to the entire agency. PHAS means that there are four subsystems which are evaluated by HUD; each subsystem will dictate a portion of a 100 point

score:

- i Physical Assessment Subsystem
- ii Financial Assessment Subsystem
- iii Management Assessment Subsystem
- iv Capital Fund Program

b Each subsystem has several criteria. They are:

i Physical Assessment Subsystem:

- Physical Condition. To ensure that public housing units are Decent, Safe, Sanitary and in Good Repair, as determined by an inspection conducted in accordance with the HUD's Uniform Physical Condition Standards (UPCS) (access to the description of the standards at the HUD website is www.hud.gov/reac). These standards are NOT the Housing Quality Standards used for Section 8 properties.
- Inspection Frequency: Small PHAs (less than 250 units):
 - High performer PHAS score > 90, UPCS inspections every 3rd year.
 - Standard & Substandard PHAS score: 60-89, UPCS inspections every 2nd year.
 - Troubled PHAS score <60 Or Capital Fund Troubled, UPCS inspections every year.

ii Financial Condition Indicator:

Financial Condition. Each project will be assessed based on the combination of the Capital Fund and Low Rent programs. Each project will each receive a Financial Condition Indicator score based on three sub-indicators. PHAs will also receive a weighted average Financial Condition Indicator score based on the weighted average score for each project.

iii Sub-indicators. There are three sub-indicators from which scores will be generated. They are:

- Quick Ratio: The Quick Ratio is cash/cash equivalents plus current receivables divided by current liabilities. This ratio measures liquidity.
- Months Expendable Net Asset Ratio: Months Expendable Net Asset Ratio measures the adequacy of reserves and is calculated by adding cash/cash equivalents and receivables divided by average monthly operating expenses.
- Debt Service Coverage Ratio: Debt Service Coverage Ratio is calculated by taking operating income plus interest expense and amortization costs divided annual debt service. This ratio measures capacity to cover debt.

iv Management Assessment Subsystem:

The Proposer will be responsible for the full preparation of all of the documentation necessary for this subsystem. There are three sub-indicators, and the Proposer is responsible for the information for all sub-indicators except "Accounts Payable":

- Occupancy. Occupancy computation is determined by taking units months leased divided by months available. This ratio emphasizes and measures the project's performance in keeping available units occupied. A higher ratio equals a higher score.
- Tenant Accounts Receivable. Tenant Accounts Receivable is computed by taking Accounts Receivable – Tenants divided by Total Tenant Revenue. This represents the amount of tenant accounts receivable against tenant revenue. A lower ratio

equals a higher score.

- Accounts Payable. Accounts payable is calculated by taking accounts payable divided by average monthly operating expenses. It measures total vendor accounts payable, both current and past due against total monthly operating expenses. Lower ratio equals a higher score.

v Capital Fund Program:

The purpose of the Capital Fund Program (CFP) is to provide funds to modernize/develop Annual Contributions Contract (ACC) units and improve overall occupancy. Also, to meet HUD's strategic plan goal to "Meet the Need for Quality Affordable Rental Homes". There are two sub-indicators for CFP Scoring.

- Timeliness of Fund Obligation. Examines the period of time it takes for a PHA to obligate funds from the CFP. Information taken from electronic Line of Credit Control System (eLOCCS). The Proposer will not have any responsibilities in regard to this sub-indicator.
- Occupancy Rate. Measure the occupancy rate as measured at FYE. Information taken from Inventory Management System/Public Housing Information Center. The Proposer will not have direct responsibilities in regard to this sub-indicator. However, it is expected that the Proposer will monitor occupancy rates closely.

3. PROPOSAL SUBMISSION REQUIREMENTS

3.1 PROJECT TIME FRAME

<u>Project Milestone</u>	<u>Date</u>
Issue Date	July 29, 2022
Pre-Proposal Meeting	August 17, 2022, at 2:00 PM
Questions Due	August 17, 2022
Proposal Due Date	August 24, 2022, at 4:30 PM
Interviewing Finalists	August 29, 2022
Acceptance Date	September 9, 2022
Contract Approval	September 20, 2022

The pre-proposal meeting will be held on August 17, 2022, at 2:00 PM, at the CDA's office located at 7645 Currell Boulevard, Woodbury, MN 55125.

Dates indicated for the "Interviewing, Acceptance and Contract Approval milestone dates are tentative and subject to modification by the CDA.

3.2 RFP ADMINISTRATOR; PROPOSAL QUESTIONS

A. The RFP Administrator for this Request for Proposals is:

Aaron Christianson, Finance Director

Phone: 651-202-2815

E-mail: aaronc@washingtoncountycda.org

B. All questions regarding the RFP are to be directed only to the RFP Administrator. Proposers may be disqualified if any unsolicited contact related to this RFP is made with an employee or representative of the CDA other than the RFP Administrator during the proposal process.

C. All questions can be e-mailed to aaronc@washingtoncountycda.org. Only written requests will be accepted. If the RFP Administrator elects to answer any questions, all RFP recipients will receive a written response.

3.3 PROPOSAL FORMAT

The proposal must be typed and submitted in PDF format. Word and excel documents will not be accepted. The proposal should be no more than 25 pages in length, but copies of various polices requested do not count towards the length restriction.

3.4 SUBMISSIONS OF PROPOSALS

- A. All proposals and attachments must be emailed, in PDF format, to Aaron Christianson at: aaronc@washingtoncountycda.org
- B. Proposals must be emailed to the above address by the date and time indicated in paragraph 3.1. Proposals received after the specified time and date may not be considered, at the CDA's discretion.
- C. A confirmation of receipt email will be sent the next business day. Contact Aaron Christianson immediately if a submission was made, but a confirmation of receipt email was not received.
- D. The submission of a proposal shall constitute an acknowledgment upon which the CDA may rely that the Proposer has thoroughly examined and is familiar with the RFP, the attachments and work sites and has reviewed and inspected all applicable statues, regulations, ordinances and resolutions dealing with or related to the services to be provided. The failure or neglect of a Proposer to do so shall in no way relieve the Proposer from any obligations with respect to the proposal or the contract issued as a result of the RFP. No claim for additional compensation will be allowed which is based upon lack of any aspect of the RFP, work sites, statues, regulations, ordinances or resolutions.

3.5 ITEMS REQUIRED TO BE SUBMITTED WITH THE PROPOSAL

A. Contractor Prerequisites:

In order for any Proposer to be considered for contract award, Proposer must possess and submit supporting documentation indicating the following pre-requisites:

- a Currently manages a portfolio in excess of 500 units
- b An active Minnesota real estate license
- c Working knowledge of Yardi Voyager
- d Knowledge and familiarity with various HUD programs, public housing, Section 8 Project Based Voucher program knowledge
- e Experience managing scattered-site housing
- f Experience managing subsidized affordable housing, including properties financed with tax exempt bonds and low-income housing tax credits

If a Proposer does not meet all the pre-requisites, Proposer may provide additional information (maximum two pages) as evidence of qualifications. The CDA will review such additional information and will determine, in the CDA's sole and complete discretion, whether or not the Proposer meets the intent of the pre-requisites.

B. Proposal

The proposal should contain a narrative addressing the following issues; the proposer's responses should be identified according to the numbering below:

- a **General** – Provide a cover letter signed by an officer of the firm, stating personal commitment to successful management of the units. Include type of entity (corporation, sole proprietorship, partnership, etc.). Also provide location of company offices.
- b **Qualifications** – Provide a general overview of qualifications (including evidence of pre-requisites detailed above), the firm's history and background, years of experience in the industry (date established, firm principles, etc.). Also provide any specific experience relevant to the scope including management of affordable housing, and past experience with HUD programs, public housing, Section 8 Project Based Voucher program and other public agencies with which you have worked.

- c **Current Clients** – Provide a listing of all public and private housing currently managed by the Proposer with the following:
 - i Name of property and city where it is located
 - ii Brief description of the property (e.g., number of units, multi-family, etc.)
 - iii If properties are subsidized, indicate type of subsidy (e.g., public housing, federal or local, tax credit, Section 8, etc.)
 - iv Description of capability to manage the CDA’s portfolio in addition to current client list, including identification of financial and technical resources to provide first class quality services.
- d **Audit** – Provide a copy of most recent audit of firm and/or a copy of the management letter accompanying most recent firm audit.
- e **Plan of Action** – Provide a plan for maintaining and marketing the properties, including rent collection policies, lease enforcement, resident orientation, unit turnover, work order process, after-hours maintenance, unit inspection process, dispute resolution, and development and implementation of capital improvement plan.
- f **Affirmative Action Policy** – Provide a description of your company’s affirmative action policy and accomplishments related to ownership, personnel, and purchases of goods and services to this end.
- g **MBE/WBE** – Describe and document your status as a minority business enterprise (MBE) and/or a woman business enterprise (WBE) if applicable, or your plans to maximize the utilization of such firms in this management effort.
- h **Fair Housing Policy** – Provide a copy of your Fair Housing policy.
- i **Conflict Resolution** – Describe your process for handling conflicts with tenants and employees, including when legal services are necessary. Provide name and background information of legal counsel who may advise Proposer from time to time.
- j **Organizational Chart and Position Descriptions** – Provide an organizational chart of your existing staffing structure, including regional office locations, and your proposed staffing structure for the properties. Provide position descriptions of senior management, maintenance and other staff members who would be assigned to oversee the CDA’s properties. Specifically identify who the portfolio manager and maintenance director would be. Description should include how the properties would be staffed, who would be handling tenant applications, phone inquiries, marketing, work order and maintenance supervision, and any other strategy appropriate to the CDA’s portfolio. Also identify the main contact on the Proposer’s staff that would assist the CDA’s staff to resolve issues, problems, or answer routine questions. Provide employment experience information for the relevant personnel completing the functions identified in this response. Do not attach resumes, but clearly identify the property management experience for the personnel.
- k **Fee Proposal** – Provide the fee proposal as follows:
 - i Estimated total annual costs for all management services, including staffing and any indirect costs, for the properties as described in this proposal. These estimates should be given in total dollars, not as a percentage of rents. Proposals must include estimated total annual costs.
 - ii Schedule of maintenance positions and wage rates for workers who will perform maintenance work on units, together with a breakdown of the hourly rate of related costs, with a total hourly wage the CDA will be billed for maintenance labor for each position. Complete Attachment to Proposal Instructions: Fee Proposal.
 - iii A performance-based component of the fee proposal is encouraged.
- l **References** – Provide three references of current clients, with a priority on public agency clients, and include locations of three properties.

- m **Accounting Capabilities** – The CDA licenses and uses Yardi Voyager as its accounting and property management software. Provide a description of your familiarity, experience, and use of Yardi Voyager.
- n **Litigation** – Provide a description of any pending or recent litigation against the company, including Fair Housing claims, a synopsis of the matter, and the actions taken or to be taken on the matter.

3.6 REVIEW PROCESS AND EVALUATION METHODS

- A. Integrity, compliance with public policy, record of past performance, and financial and technical resources are important evaluation points for the CDA. The CDA will evaluate the proposals based on the following criteria, all of which are equally important:
 - a Length of management experience with higher consideration given to Proposers that have had prior public housing/experience managing residential rental properties on behalf of housing authorities. Specifically, those Proposers that demonstrate knowledge and expertise regarding public housing regulations, project-based Section 8, Davis Bacon requirements, or manage other reputable professional housing associations, will be given higher consideration.
 - b Demonstrated capability to manage over 1,000 units with experience in handling multiple properties at one time, including single family detached units, multi-story structures, and townhome units.
 - c Demonstrated financial strength of organization.
 - d Effectiveness of management philosophy to promote prompt rent payments and overall property management and marketing.
 - e Effectiveness of conflict resolution approach.
 - f Effectiveness of proposed staffing plan.
 - g Fee proposal.
 - h Quality of reference interview results.
 - i Strength and knowledge of Yardi Voyager.
 - j Outcomes of personal interviews and tours of Proposer's facilities.
 - k Satisfactory HUD review of Proposer.
- B. The CDA reserves full authority to interview and/or conduct a site visit of leading candidates as it feels necessary in order to obtain a more in-depth review of the Proposer. It is anticipated that the interviews and/or site visits would occur in the early part of September, if so determined.
- C. The CDA will review all proposals, conduct interviews and site visits, and make a recommendation to the CDA's Board. It is anticipated that the Board would consider the CDA's recommendation at its September 20, 2022, meeting.
- D. A determination will be made as to which proposal is most advantageous to the CDA by considering the evaluations of the proposals, the best value to the Proposer, and the best interests of the CDA.
- E. If a proposal is accepted and award is authorized, in accordance with the CDA policies and procedures, a contract for the work will be executed. Until authorization of the award and execution of the contract, the CDA has no obligation for the cost associated with any work performed.

3.7 WITHDRAWAL OR MODIFICATION OF PROPOSALS

Each proposal shall constitute a binding, irrevocable offer for a period of 120 days after the date the proposals are due. Proposals which have been submitted to the CDA may be withdrawn by the Proposer only if a written withdrawal request is physically received by the RFP Administrator in person, by mail, or by facsimile prior to the time proposals are due.

3.8 PROTESTS

- A. Proposers who wish to file a protest regarding the RFP process shall conform in all respects to the CDA's Protest Procedure. (See Attachment to the Proposal Instructions: Procurement Policy).
- B. All protests must be addressed to the RFP Administrator at the e-mail address indicated in section 5.

3.9 DATA PRACTICES ACT

- A. The Minnesota Governmental Data Practices Act provides that the names of Proposers are public once the proposals are opened. With the exception of trade secret information as defined in Minnesota Statutes, section 13.37, all other information submitted by a Proposer in response to this RFP becomes public at the time specified in the act and is then given available to any person upon request. Trade secret information is defined in section 13.37 as data, including a formula, pattern, compilation, program, device, method, technique, or process, (1) that was supplied by the Proposer; (2) that is the subject of efforts by the Proposer that are reasonable under the circumstances to maintain its secrecy; and (3) that derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.
- B. Any information in its response to this RFP for which the Proposer claims protection as trade secret information in accordance with the above provisions must be limited and set apart in the RFP response on separate pages, with a heading that identifies the information as trade secret information. The CDA will make the ultimate determination whether the information meets the applicable definition. Any information submitted in response to this RFP which does not meet the legal definition will be considered public information, regardless of the Proposer's identification of it as trade secret information. Proposers are advised that blanket-type identification by designating whole pages or sections as containing trade secret information will not assure protection – the specific information for which the Proposer claims trade secret protection must be clearly identified as such.
- C. Submitted proposals shall not be copyrighted. A statement by the Proposer that submitted information is copyrighted or otherwise protected does not prevent public access to the information contained in the RFP response.

3.10 HUD REVIEW OF PROPERTY MANAGEMENT AGENT

HUD must approve the HUD must approve the Proposer selected by the CDA in advance of the initiation of the contract. HUD will review the CDA's submission to assess proposed agent's eligibility, past performance, management capacity and experience, and fidelity bond coverage. HUD will notify the CDA by issuing a decision letter. The Proposer will be required to submit the following, after the CDA has made its selection:

- A. Form HUD-2530 that identifies the names of all principals and affiliates of the management agent and any previous housing projects in which they have participated. It further certifies that they currently are eligible to participate in the management of the HUD insured, financed or assisted multifamily project.
- B. Form HUD-9832 that provides HUD with information on the management entity's organization and procedures, including treatment of identify of interest relationships.
- C. Form HUD-9839 certifying with the CDA, that they will both comply with HUD requirements and contract obligations, execute an acceptable management agent agreement, and that no payments have been made to the owner in return for awarding the management contract to the agent, and such payments will not be made in the future.
- D. Proposed staffing, if any, to be charged to the public housing Operating Account.
- E. Method of handling resident complaints and their resolution.

F. Additional information as required by the HUD area office.

3.11 FORM OF CONTRACT

The Property Management Contract will be developed collaboratively between the CDA and the awarded firm. Guidance necessary to develop a proposed contract/management agreement is attached to this RFP as Attachment: Guidelines for Services Contract. The guidance will help to outline the content to be included within the contract, including various legal and administrative duties and responsibilities assumed by person or organizations contracting with the CDA. The successful Proposer will be expected to execute this contract when finalized.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY MAINTENANCE POLICY

(Effective 1-1-00)

The Washington County CDA is responsible for having the maintenance function managed in the most cost-effective manner possible while maximizing the useful life of WCCDA properties and providing the best service to WCCDA residents. The following policy statements are designed to establish the structure of an effective and efficient maintenance system.

1.0 COMPONENTS OF A MAINTENANCE SYSTEM

The Washington County CDA maintenance system should include certain components:

- A. A system of priorities for work requests;
- B. Comprehensive working procedures;
- C. Performance goals;
- D. A work order system; and
- E. A long-range planning system.

By developing a maintenance system that has these components in place, the WCCDA will have the tools it needs to control the performance of maintenance work performed at their properties.

1.1 PRIORITY SYSTEM

The work priorities adopted by the Washington County CDA exemplify its philosophy of delivering maintenance services. This priority system ensures that the most important maintenance work is done at a time it can be performed most cost-effectively. Minimizing vacancy loss is part of the cost-effectiveness calculation. The maintenance priorities of the Washington County CDA are the following:

- A. Emergencies
- B. Resident On-Demand Requests
- C. Scheduled Operations and Services
- D. Vacancy Preparation

1.2 DEVELOPING PROCEDURES

The WCCDA will ensure that there are sufficient clear procedures in place to allow the Contract Manager to implement this maintenance policy statement. All procedures will include the following:

- A. A statement of purpose;
- B. The job title(s) of the staff member(s) responsible for carrying out the activities in the procedure;
- C. Any forms needed to carry out the activities; and
- D. The frequency of any specified activities.

After their adoption, maintenance procedures will be reviewed and updated at least annually.

1.3 DEVELOPING PERFORMANCE STANDARDS AND GOALS

The WCCDA will establish measures that will allow the effectiveness of maintenance systems and activities to be evaluated. In establishing these standards, the WCCDA will take into consideration certain factors:

- A. Local housing codes;
- B. HUD Housing Quality Standards;
- C. Public Housing Assessment System (PHAS) standards;
- D. Washington County CDA Collective bargaining agreements; and
- E. Washington County CDA job descriptions.

Nothing in the documents listed above will prevent the WCCDA from setting a standard that is higher than that contained in the documents.

These standards and goals will be used to evaluate current operations and performance and to develop strategies to improve performance and meet the standards that have been set.

1.4 WORK ORDER SYSTEM

The Contract Manager for the Washington County CDA shall have a comprehensive work order system that includes all work request information: source of request, description of work, priority, cost to complete, days to complete, and hours to perform. This information is required for the WCCDA to plan for the delivery of maintenance services as well as evaluate performance. To obtain the greatest effectiveness from the work order system, all work requests and activities performed must be recorded on work orders.

Work orders will contain, at a minimum, the following information:

- A. Preprinted number
- B. Source of request (planned, inspection, resident, etc.)
- C. Priority assigned
- D. Location of work
- E. Date and time received
- F. Worker(s) assigned
- G. Description of work requested
- H. Description of work performed
- I. Actual time to complete
- J. Materials used to complete work
- K. Whether or not the resident should be charged.

1.5 LONG-RANGE PLANNING

The Washington County CDA will put in place a long-range maintenance planning capability in order to ensure the most cost-effective use of WCCDA resources and the maximum useful life of WCCDA properties.

The WCCDA will develop a property-specific long-range planning process that includes the following components:

- A. A property maintenance standard;
- B. An estimate of the work required to bring the property to the maintenance standard;
- C. An estimate of the work required to keep the property at the maintenance standard including routine and preventive maintenance workloads, vacant unit turn-around, inspection requirements and resident on-demand work
- D. An estimate of the on-going cost of operating the property at the maintenance standard;
- E. A market analysis of the property to determine if there are any capital improvements needed to make the property more competitive;
- F. A cost estimate to provide the specified capital improvements; and
- G. A revised work plan and cost estimate of maintaining property at the improved standard.

By developing a work plan, the WCCDA will be able to anticipate staff, equipment and materials needs. It will also be possible to determine need for contracting particular services.

2.0 MAINTAINING THE PROPERTY

All maintenance work performed at WCCDA properties can be categorized by the source of the work. Each piece of work originates from a particular source -- an emergency, the routine maintenance schedule, the preventive maintenance schedule, a unit inspection, a unit turnover, or a resident request.

2.1 RESPONDING TO EMERGENCIES

Emergencies are the highest priority source of work. The Washington County CDA will consider a work item to be an emergency if the following occur:

- A. The situation constitutes a serious threat to the life, safety or health of residents or staff; or
- B. The situation will cause serious damage to the property structure or systems if not repaired within twenty-four (24) hours.

If the personnel in charge is unsure whether or not a situation is an emergency, he or she will consult with his or her supervisor. If a supervisor is not available, the employee will use his or her best judgment to make the decision.

For emergencies that occur after regular working hours, the Contract Manager shall have a twenty-four (24) emergency response system in place. This response system shall include the designation of a maintenance employee in charge for each day as well as a list of qualified pre-approved contractors, open purchase orders for obtaining required supplies or equipment, and access to materials and supplies available on-site. The designated employee shall prepare a work order and report on any emergency within twenty-four hours after abatement of the emergency.

2.2 RESIDENT ON-DEMAND SERVICE

This category of work refers to all resident generated work requests that fall into no other category. These are non-emergency calls made by residents seeking maintenance service. These requests for service cannot be planned in advance or responded to before the resident calls.

It is the policy of the Washington County CDA to have these work requests completed within seven (7) days. By putting a priority on addressing the resident's service requests, the Washington County CDA sends a message to the residents that they are important. By satisfying the residents needs the number of turnovers will be reduced as will the expense to prepare vacant units for occupancy.

2.3 PREVENTIVE MAINTENANCE PROGRAM

Preventive maintenance is part of the planned or scheduled maintenance program of the Washington County CDA. The purpose of the scheduled maintenance program is to allow the WCCDA to anticipate maintenance requirements and make sure they can be addressed in the most cost-effective manner. The preventive maintenance program focuses on the major systems that keep the properties operating. These systems include heating and air conditioning, electrical, life safety and plumbing.

A. General Operating Systems

The heart of any preventive maintenance program is a schedule that calls for the regular servicing of all systems. The development of this schedule begins with the identification of each system or item that must be checked and serviced, the date it must be serviced, and the individual responsible for the work. The servicing intervals and tasks for each system must be included in the schedule. The completion of all required tasks is considered a high priority for the Washington County CDA.

The systems covered by the preventive maintenance program include but are not limited to:

1. Catch basins
2. Compactors
3. Condensate pumps

4. Electric transformer and emergency generators
5. Elevator equipment
6. Emergency lighting
7. Exhaust fans
8. Exterior lights
9. Fire extinguishers and other life safety systems
10. Heating plants
11. Mechanical equipment and vehicles
12. Sanitary drains
13. Air Conditioning equipment
14. Domestic water

A specific program will be developed for each system. This program shall include a list of the scheduled service maintenance for each system and the frequency and interval at which that service must be performed. The equipment and materials required to perform the service will be listed as well so that they will be on hand when needed. An assessment of the skills or licensing needed to perform the tasks will also be made to determine if an outside contractor must be used to perform the work. The preventive maintenance schedule must be updated each time a system is added, updated, or replaced.

B. Roof Repairs/Replacement

Maintenance of roofs requires regular inspections by knowledgeable personnel to ensure that there is no unauthorized access to roof surfaces and that there is good drainage, clear gutters and prompt discovery of any deficiencies.

The WCCDA through its Contract Manager is responsible for the development of a roof maintenance plan that includes these features:

1. The type, area, and age of roof
2. Warranties and/or guarantees in effect
3. Company that installed the roof
4. Expected useful life of roof
5. History of maintenance and repair
6. Inspection schedule

There should be a list of approved roofing contractors to make repairs for roofs no longer under warranty.

C. Lead-Based Paint

The Washington County CDA is committed to controlling lead-based paint hazards in all its dwellings, especially family dwellings constructed before 1978. If any hazards are discovered, the WCCDA will develop a plan to direct all activities associated with lead hazard control to abate the hazard. The control plan will include such activities as:

1. Detecting the possible presence of lead paint;
2. Protection of residents and workers from lead-based paint hazards;
3. Surface protection of non-painted surfaces;
4. Equipment use and care;
5. Paint quality; and
6. Method of application.

Other responsibilities include: directing training sessions, issuing special work orders, informing residents, responding to cases of children with elevated blood lead levels, correcting lead-based paint hazards on an emergency repair basis, and any other efforts that may be appropriate.

The Washington County CDA's plan to control such hazards is detailed in a risk assessment report and lead hazard control plan.

D. Life Safety Systems

The Washington County CDA shall have a comprehensive program for maintenance of life safety systems to ensure that they will be fully functional in the case of an emergency. The Contract Manager shall be responsible for the development and implementation of a schedule that includes the inspection, servicing and testing of this equipment. The equipment to be included in the plan includes the following:

1. Fire alarms and fire alarm systems
2. Fire extinguishers
3. Fire hoses
4. Emergency generators
5. Emergency lighting
6. Smoke detectors
7. Sprinkler systems

The plan will include the required testing and servicing as required by manufacturer's recommendations. It will also include a determination of the most reliable and cost effective way to perform the work including the decision to hire a contractor.

2.4 INSPECTION PROGRAM

The Washington County CDA's goals of efficiency and cost-effectiveness are achieved through a carefully designed and rigorously implemented inspection program. This program calls for the inspection of all areas of the WCCDA's facilities -- the dwelling units, the grounds and building exteriors, and major service systems.

A. Dwelling Unit Inspections

The unit inspection system of the Washington County CDA has two primary goals:

1. To assure that all dwelling units comply with standards set by HUD and local codes; and
2. To assure that the Contract Manager and the Washington County CDA knows at all times the condition of each unit for which it is responsible.

The achievement of these goals may require more than the annual HUD required inspection. The WCCDA through its Contract Manager is responsible for developing a unit inspection program that schedules inspections at the frequency required.

For all non-emergency inspections, the Resident shall be given at least two (2) days written notice of the inspection.

The Contract Manager shall perform the unit inspection program of the Washington County CDA. Any work items noted at the time of the inspection will be documented on the Washington County CDA inspection form. The work items shall be converted to a work order within forty-eight hours of the completion of the inspection. The Contract Manager shall endeavor to have all inspection-generated work items completed in a timely manner.

All maintenance personnel are responsible for monitoring the condition of dwelling units. Whenever a maintenance staff member enters a dwelling unit for any purpose, such as completing a resident request for service or accompanying a contractor, he or she shall record on an inspection form any required work he or she sees while in the apartment. These work items shall be converted to a service request within twenty-four hours of discovery.

B. Building and Grounds Inspections

Regular inspections of the property grounds and building exteriors are required to maintain the curb appeal of the property. This curb appeal is required to maintain the attractiveness of the property for both current and prospective residents. The inspection procedure will specify the desired condition of the areas to be inspected. This defined condition will include any HUD or locally required standards. The existence of these standards shall not prevent the WCCDA from setting a higher standard that will make the property more competitive in the local market.

Building and grounds inspections must cover these areas:

1. Hallways
2. Stairwells
3. Community room and other common space such as kitchens or public restrooms
4. Laundry facilities
5. Lobbies
6. Common entries
7. Basements
8. Grounds
9. Porches or patios
10. Parking lots
11. Sidewalks and fences Lawns, shrubs and trees
12. Trash compactors or collection areas
13. Building foundations

An inspection form will be developed for common areas and building exteriors and grounds. The person conducting the inspection shall note all deficiencies on the form and ensure that these deficiencies are recorded on work orders within twenty-four hours of the inspection. The Contract Manager will assure that all inspection-generated work items will be completed within thirty (30) days of the inspection. Nothing in this policy shall prevent any personnel on-site from reporting any needed work that they see in the regular course of their daily activities. Such work items shall be reported to the site manager of the appropriate property.

C. Systems Inspections

The regular inspection of all major systems is fundamental to a sound maintenance program. The major systems inspection program overlaps with the preventive maintenance program in some areas. To the extent that inspections, in addition to those required for scheduled service intervals, are needed, they will be a part of the inspection schedule. Any work items identified during an inspection shall be converted to a work order within twenty-four hours and should be completed within thirty (30) days.

2.5 SCHEDULED ROUTINE MAINTENANCE

The Washington County CDA includes in this work category all tasks that can be anticipated and put on a regular timetable for completion. Most of these routine tasks are those that contribute to the curb appeal and marketability of the property.

A. Pest Control/Extermination

The Washington County CDA through its Contract Manager will make all efforts to provide a healthy and pest free environment for its residents. The WCCDA will determine which, if any, pests infest its properties and will then provide the best possible treatment for the eradication of those pests. The WCCDA through its Contract Manager will determine the most cost-effective way of delivering the treatments.

The extermination plan will begin with an analysis of the current condition at each property. The WCCDA through its Contract Manager shall make sure that an adequate schedule for treatment is developed to address any existing infestation. Special attention shall be paid to cockroaches. The schedule will include

frequency and locations of treatment. Different schedules may be required for each property.

Resident cooperation with the extermination plan is essential. All apartments in a building must be treated for the plan to be effective. All residents will be informed at least one week and again twenty-four hours before treatment. The notification will be in writing and will include instructions that describe how to prepare the unit for treatment. If necessary, the instructions shall be bi-lingual to properly notify the resident population.

B. Landscaping and Grounds

The Washington County CDA through its Contract Manager will prepare a routine maintenance schedule for the maintenance of the landscaping and grounds of its properties that will ensure their continuing attractiveness and marketability.

Routine grounds maintenance includes numerous activities:

1. Litter control
2. Lawn care
3. Maintenance of driveways, sidewalks and parking lots
4. Care of flower and shrubbery beds and trees
5. Maintenance of playgrounds, benches and fences
6. Snow removal

The WCCDA through its Contract Manager shall be responsible for the development of a routine maintenance schedule that shall include the following:

1. A clearly articulated standard of appearance for the grounds that acknowledges but is not limited to HUD and local code standards;
2. A list of tasks that are required to maintain that standard and the frequency with which the tasks must be performed;
3. The equipment, materials, and supplies required to perform the task; and
4. A separate snow removal plan including a schedule for preparing equipment for the season and the procurement of other necessary materials and supplies, as well as procurement of a vendor to complete the snow removal as required.

C. Building Exteriors and Interior Common Areas

The appearance of the outside of WCCDA buildings as well as their interior common areas is important to their marketability. Therefore, the Washington County CDA has established a routine maintenance schedule to ensure that they are always maintained in good condition. The components to be maintained include:

1. Lobbies
2. Hallways and stairwells
3. Elevators
4. Public restrooms
5. Lighting fixtures
6. Common rooms and community spaces
7. Exterior porches and railings
8. Building walls
9. Windows

The Contract Manager is responsible for the development of a routine maintenance schedule for building exterior and interior common areas. The schedule shall be based on the following:

1. A clearly articulated standard of appearance for the building
2. A list of tasks required in order to maintain that standard
3. The frequency with which the tasks must be performed
4. A list of materials, equipment and supplies required to perform the tasks.

D. Interior Painting

The appearance and condition of the paint within each unit is important to unit condition and resident satisfaction. Accordingly, the Washington County CDA through its Contract Manager will develop a plan to ensure that interior paint in resident dwelling units is satisfactorily maintained.

As part of this plan painting standards will be developed that include:

1. Surface preparation
2. Protection of non-painted surfaces
3. Color and finish
4. Paint quality
5. Methods of application approved
6. Lead paint testing and abatement if required

The plan will set out the conditions for the consideration of a painting request. These standards include the period of time that has elapsed since the last time the unit was painted. Alternatives for performance of the work will be included, including the conditions under which a resident will be allowed to paint his or her own unit.

2.6 PREPARING VACANT UNITS FOR REOCCUPANCY

It is the policy of the Washington County CDA to reoccupy vacant units as soon as possible. These policies allow the WCCDA to maximize the income produced by its properties and operate attractive and safe properties.

The WCCDA, through its Contract Manager, is responsible for developing and implementing a system that ensures an average turn-around time of seven (7) calendar days. In order to do so, there must be a system that can perform the following tasks:

- A. Forecast unit preparation needs based on prior years' experience;
- B. Estimate both the number of units to be prepared and the number of hours it will take to prepare them; and
- C. Control work assignments to ensure prompt completion.

The maintenance procedure for reoccupying vacant units relies on the prompt notification by management of the vacancy, fast and accurate inspection of the unit, ready availability of workers and materials, and good communication with those responsible for leasing the unit.

The Contract Manager has the ability to create special teams for vacancy turnaround or to hire contractors when that is required to maintain the goals of the WCCDA.

3.0 CONTRACTING FOR SERVICES

The Contract Manager will contract for maintenance services when it is in the best interests of the WCCDA to do so. When the employees of the Contract Manager have the time and skills to perform the work at hand, they will be the first choice to perform a given task. When the employees of the Contract Manager have the skills to do the work required, but there is more work than there is time available to complete it, the Contract Manager will determine whether it is more cost effective to use a contractor to complete the work. If the staff of the Contract Manager does not have the skills to complete the work, an pre-approved contractor will be chosen.

Once the decision has been made to hire a contractor, the process set out in the Washington County CDA Procurement Policy will be used. These procedures vary depending on the expected dollar amount of the contract. The most important aspect of the bid document will be the specification or statement of work. The clearer the specifications, the easier it will be for the WCCDA to get the work product it requires.

PROCUREMENT POLICY

**January 19, 2010
As Amended December 21, 2010, February 15, 2011,
January 20, 2015, May 19, 2015, June 18, 2019,
and July 21, 2020**

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY

**PROCUREMENT POLICY
WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**

- I. GENERAL PROCUREMENT POLICY.** When procuring construction, demolition, equipment, materials, services, and supplies, the Washington County Community Development Agency (the " Agency") shall comply with the polices and guidelines stated in this Procurement Policy (this "Policy"). This Policy is intended to comply with and incorporate current federal and Minnesota state laws with which the Agency, as a public housing agency, must comply, including 2 C.F.R. Sections 200.317 to 200.326, and, as applicable, 2 C.F.R. Part 200, as well as Minnesota Statutes, Sections 469.015 and 471.345. Finally, to ensure the Agency is in compliance with the federal Department of Housing and Urban Development ("HUD") procurement standards, policies recommended in HUD Handbook 7460.8 REV-2 are incorporated into this Policy. In the event an applicable law or regulation is modified or eliminated, or a new law or regulation is adopted, the revised law or regulation shall, to the extent inconsistent with this Policy, automatically supersede this Policy. In the event of a conflict between applicable federal and state laws, the Agency shall generally follow the more stringent law or rule, as long as the procurement confirms to federal requirements. In accordance with 2 C.F.R. Section 200.110 (a), the Agency has elected that the Policy, as revised, be effective as of June 20, 2019.
- II. PURPOSE.** The purpose of this Policy is to: provide for and ensure the fair and equitable treatment of all persons or firms involved in purchasing by the Agency; assure that supplies, services and construction are procured efficiently, effectively, and at the most favorable prices available to the Agency; promote competition in contracting; provide safeguards for maintaining a procurement system of quality and integrity; and assure that the Agency purchasing actions are in full compliance with applicable federal standards, HUD regulations and state and local laws.
- III. PROCUREMENT AUTHORITY AND ADMINISTRATION.** The Executive Director or his or her designee (the "Contracting Officer") shall administer all procurement transactions. The Contracting Officer shall ensure that:
- A. Procurement requirements are subject to an annual planning process to assure efficient and economical purchasing;
 - B. Contracts and modifications are in writing, clearly specifying the desired supplies, services, or construction, and are supported by sufficient documentation regarding the history of procurement, including as a minimum the method of procurement chosen, the selection of the contract type, the rationale for selecting or rejecting offers, and the basis for the contact price;
 - C. Solicitation procedures for procurements involving federal funding are conducted in full compliance with federal standards stated in 2 C.F.R. Sections 200.317 to 200.326 and HUD Handbook 7460.8 REV-2, or state and local laws that are more stringent, provided they are consistent with applicable federal law;
 - D. An independent cost estimate is prepared before solicitation issuance and a cost of or price analysis is conducted of the responses received for all procurements;
 - E. Contract award is made to (i) the responsive and responsible bidder offering the lowest price (for sealed bid contracts), (ii) to the offeror whose proposal for services offers the greatest value to the Agency, considering price, technical, and other factors as specified in the solicitation (for contracts awarded for services based on competitive proposals), or (iii) a qualified vendor for a reasonable price

(for contracts awarded without competitive proposals or quotes); and unsuccessful firms are notified within ten days or other time period required by state or local law after contract award;

- F. There are sufficient unencumbered funds available to cover the anticipated cost of each procurement before contract award or modification (including change orders), work is inspected before payment, and payment is made promptly for contract work performed and accepted;
- G. The Agency complies with applicable HUD review requirements;
- H. The procedures of Minnesota Statutes, Section 469.015, subd. 1, will be followed for contracts for construction, demolition or clearing, purchases of equipment, supplies, or materials involving expenditures in excess of \$175,000 procured using the sealed bid method.
- I. Contracts for construction or purchases of equipment, supplies, or materials estimated to be worth more than \$25,000 but not exceeding \$175,000 can be made by either sealed bids in accordance with Sections III(H) and VII(C), or by direct negotiation based on two or more quotes and without advertising for bids or otherwise complying with the requirements of sealed bidding. Whenever quotes are used, an adequate number of quotes must be obtained from qualified vendors (generally three or more, if practical, but not less than two), and the quotes must be kept on file for one year.
- J. Contracts for construction or purchases of equipment, supplies, or materials estimated to be worth \$25,000 or less may be made either by direct negotiation based on two or more quotes or by direct solicitation from a qualified vendor at a reasonable price (e.g., based on recent research, experience, or purchases); provided, however, that if federal funds are involved and estimated to exceed \$10,000, the Contracting Officer must solicit quotes from two or more qualified vendors.
- K. Contracts for construction or purchases of equipment, supplies, or materials involving federal funds estimated to be worth less than \$10,000 ("micro purchases") may be made by direct solicitation from a single source as provided in Section VII(A). To the extent practicable, the Contracting Officer will distribute micro purchases equitably amongst qualified vendors.
- L. As provided in Section VII(D), in the event the Agency seeks construction, demolition or clearing, purchases of equipment, supplies, or materials involving expenditures in excess of \$175,000, and without involving any federal funds, then unless prohibited by applicable federal law, the Agency may issue a request for proposals and award the contract to the vendor or contractor offering the best value in accordance with Minnesota Statutes, Sections 469.015, subd. 1a and 471.345, subd. 3a.
- M. Contracts for professional services will be procured in the manner provided in Sections VII(E) and (F).
- N. The Davis-Bacon Act prevailing wage provisions shall apply for contracts involving federal funds and estimated to be in excess of \$2,000.
- O. Contracts for the operation of the Section 8 Housing Choice Voucher Program shall be governed by federal Program regulations and applicable HUD requirements.

IV. PROCUREMENT STANDARDS.

- A. The Agency's procurement procedures shall conform to applicable federal, state, and local laws and regulations.

- B. The Agency will maintain a contract administration system, which ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
- C. The Agency will provide for a review of proposed procurements to avoid purchase of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.
- D. To foster greater economy and efficiency, the Agency may enter into state and local intergovernmental agreements for procurement or use of common goods and services.
- E. The Agency may use federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.
- F. The Agency may contract for value-engineering services in connection with contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.
- G. The Agency will make awards only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. Notwithstanding the foregoing, the Agency may only award construction contracts estimated to exceed \$50,000 to contractors and subcontractors meeting the minimum 'responsible contractor' criteria in accordance with Minnesota Statutes Section 16C.285.
- H. The Agency will not use time and material type contracts for construction contracts. The Agency may use time and material type contracts for other types of contracts as permitted under state law, and for contracts using federal funding only:
 - 1. After a determination that no other contract is suitable;
 - 2. If the contract includes a ceiling price that the contractor exceeds at its own risk; and
 - 3. The contract is permitted by state law.

In cases where a time and materials contract is awarded, the contractual agreement with the vendor shall contain a termination clause wherein the Agency may terminate the agreement within seven days.

- I. The Agency alone will be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to source evaluation, protests, disputes, and claims.

V. ETHICS IN PUBLIC CONTRACTING

- A. General. The Agency hereby establishes this code of conduct regarding procurement issues and actions and shall implement a system of sanctions for violations. This code of conduct is consistent with applicable federal, state, and local law. In addition to the prohibitions regarding conflicts of

interest herein, Commissioners, employees, officers, and agents of the Agency shall also comply with and be subject to the Agency's Conflict of Interest Policy, as amended from time to time.

- B. Conflicts of Interest. No Commissioner, employee, officer, or agent of the Agency shall participate directly or indirectly in the selection, award, or administration of any contract if a conflict of interest, either real or apparent, would be involved. This type of conflict would arise when one of the below has a financial or any other type of interest in a firm competing for the award:
1. A Commissioner, employee, officer, or agent involved in making the award, or their respective partners or relatives (including father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, or half sister); or
 2. An organization which employs or is negotiating to employ, or has an arrangement concerning prospective employment of any of the above.
- C. Gratuities, Kickbacks, and Use of Confidential Information. No Commissioner, officer, employee, or agent shall ask for or accept gratuities, favors, or items of any monetary value from any contractor, potential contractor, or party to any subcontract, and shall not knowingly use confidential information (as defined below) for actual or anticipated personal gain. The Agency may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value.
- D. Prohibition Against Contingent Fees. Contractors wanting to do business with the Agency must not hire a person to solicit or secure a contract for a commission, percentage, brokerage, or contingent fee, except for bona fide established commercial selling agencies. This prohibition includes the employment by a business seeking Agency contracts of former Agency officials and employees on a contingency basis to obtain such contracts with the Agency.
- E. Confidential Information. No person shall disclose confidential information to any person not authorized to receive such information without the prior authorization of the Contracting Officer. As used in this Policy, "confidential information" includes, but is not limited to: the contents of a bid (prior to bid opening); names of individuals or firms that submitted bids (prior to bid opening) or proposals (prior to contract award); Agency-generated information related to a procurement (including Agency cost estimates, contractor selection and evaluation, plans, and specifications [before solicitation is issued]); and any other information the disclosure of which would have a direct bearing on the contract award or the competitive process.

VI. COMPETITION. All procurement transactions involving federal funds will be conducted in a manner providing full and open competition consistent with the standard of 2 C.F.R. Sections 200.317 to 200.326, and 2 C.F.R. Part 200, as applicable.

- A. Some of the situations considered to be restrictive of competition include, but are not limited to:
1. Placing unreasonable requirements on firms in order for them to qualify to do business;
 2. Requiring unnecessary experience and excessive bonding;
 3. Noncompetitive pricing practices between firms or between affiliated companies;

4. Noncompetitive awards to consultants that are on retainer contracts;
5. Organizational conflicts of interest;
6. Specifying only a brand name product instead of allowing an equal product to be offered and describing the performance of other relevant requirements of the procurement; and
7. Any arbitrary action in the procurement process.

B. The Agency will conduct procurements involving federal funds in a manner that prohibits the use of statutorily or administratively imposed in-state or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable federal statutes expressly mandate or encourage geographic preference; however, geographic location may be a selection criteria provided application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract. Nothing in this Section preempts state licensing laws.

C. To ensure accuracy of all Agency procurement transactions, the following procedures should be followed for all solicitations:

1. Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a brand name or equal description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offerors shall be clearly stated; and
2. Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

D. The Agency will ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the Agency will not preclude potential bidders from qualifying during the solicitation period.

E. Contracts shall not be awarded to debarred, suspended, or ineligible contractors. Contractors may be suspended, disbarred, or determined ineligible by HUD in accordance with HUD regulations or by other federal agencies (e.g., Department of Labor for violation of labor regulations) when necessary to protect housing authorities in their business dealings. In addition, contractors and subcontractors will be ineligible and may not be awarded a construction contract estimated to exceed \$50,000 unless they meet the minimum criteria in Subdivision 3 of Minnesota Statutes Section 16C.285.

VII. METHODS OF PROCUREMENT. The Agency shall use the applicable method of procurement based on the cost and/or type of product or service to be purchased.

- A. Procurement by Micro Purchases. Micro purchases are those purchases of services, supplies, or other property using federal funds that do not cost more than \$10,000. Micro purchases may be made by direct solicitation from a single source if the Contracting Officer considers the price to be reasonable (e.g., based on recent research, experience, or purchases) and the vendor qualified. To the extent practicable, the Agency will distribute micro purchases equitably amongst qualified vendors.
- B. Procurement by Small Purchase Procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than \$175,000. Contracts estimated to be worth more than \$25,000 and up to \$175,000 can be made by either sealed bids, or by direct negotiation based on two or more quotes and without advertising for bids or otherwise complying with the requirements of sealed bidding. Contracts estimated to be worth \$25,000 or less may be made either by direct negotiation based quotes and without advertising for bids or otherwise complying with the requirements of sealed bidding, or by direct solicitation without quotes to a qualified vendor at a reasonable price (e.g., based on recent research, experience, or purchases); provided, however, that if federal funds are involved, small purchases above \$10,000 (the micro purchase limit) must be made by obtaining two or more quotes. If quotes or obtained, they must be kept on file for at least one year.
- C. Procurement by Sealed Bids (Formal Advertising). Sealed bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid is the lowest in price and conforms to all the material terms and conditions of the invitation for bids. The sealed bid method applies to construction work, work of demolition or clearing, and every purchase of equipment, supplies, or materials, that involve expenditure in excess of \$175,000, except as provided in Minnesota Statutes 469.015, subd. 4 (see Policy Section VII(C)(5)). The sealed bid method is the preferred method for procuring construction contracts, if the conditions noted below apply.
1. In order for sealed bidding to be feasible under 2 C.F.R. § 200.320(c)(1), the following conditions should be present:
 - (a) A complete, adequate, and realistic specification or purchase description is available;
 - (b) Two or more responsible bidders are willing and able to compete effectively and for the business; and
 - (c) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.
 2. If sealed bids are used, the following requirements apply in addition to the requirements of Section III(H):
 - (a) A notice inviting bids shall be published in newspaper of general circulation in the community once a week for two consecutive weeks and bids will be solicited from an adequate number of known suppliers, providing them sufficient time to respond prior to the date set for opening the bids. The notice shall include:
 - (i) the location of the project;
 - (ii) a description of the construction and/or services to be performed;
 - (iii) where and how bidders may obtain a bid packet;

- (iv) time and place where bids will be received, opened and read publicly (the time shall be not less than seven days after the date of the last publication);
 - (v) the terms and conditions upon which the contract is to be let;
 - (vi) special conditions, including but not limited to applicability of federal labor standards provisions; and
 - (vii) requirements for bid and performance or payment bonds;
- (b) The bid package shall include any specifications and pertinent attachments and shall define the items or services in order for the bidder to properly respond;
 - (c) All bids will be publicly opened at the time and place prescribed in the invitation for bids;
 - (d) A firm fixed-price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of and if permitted by the Agency;
 - (e) Any or all bids may be rejected or the solicitation cancelled, in which case the Contracting Officer shall document the reason(s) for rejecting all bids or cancelling the solicitation; and
 - (f) After the bids have been received, opened and read publicly and recorded, the Agency shall award the contract to the lowest responsive and responsible bidder, provided that the Agency reserves the right to reject any or all bids. Each contract shall be executed in writing, and the person to whom the contract is awarded shall give sufficient bond to the Agency for its faithful performance. If no satisfactory bid is received, the Agency may re-advertise. The Agency may establish reasonable qualifications to determine the fitness and responsibility of bidders in addition to the minimum qualifications established in this Policy, and require bidders to meet such qualifications before bids are accepted.
3. Mistakes in bids. Correction or withdrawal of inadvertently erroneous bids may be permitted, where appropriate, before bid opening by written or telegraphic notice received in the office designated in the invitation for bids prior to the time set for bid opening. After bid opening, corrections in bids shall be permitted only if the bidder can show by clear and convincing evidence that a mistake of a nonjudgmental character was made, the nature of the mistake, and the bid price actually intended. A low bidder alleging a nonjudgmental mistake may be permitted to withdraw its bid if the mistake is clearly evident on the face of the bid document but the intended bid is unclear or the bidder submits convincing evidence that a mistake was made. All decisions to allow correction or withdrawal of bid mistakes shall be supported by a written determination signed by the Contracting Officer. After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the Agency or fair competition shall be permitted.

4. Exception; Emergency. Pursuant to Minnesota Statutes, Section 469.015, subd. 2, if the Agency by a vote of four-fifths of its Commissioners shall declare that an emergency exists requiring the immediate purchase of any equipment or material or supplies at a cost in excess of the amount provided in Minnesota Statutes Section 471.345, Subdivision 3, but not exceeding one-half again as much as that amount, or making of emergency repairs, it shall not be necessary to advertise for bids, but the material, equipment, or supplies may be purchased in the open market at the lowest price obtainable, or the emergency repairs may be contracted for or performed without securing formal competitive bids. An emergency, for purposes of this Section, shall be understood to be unforeseen circumstances or conditions which result in the placing in jeopardy of human life or property.

5. Exceptions for Contracts Without Federal Funds. The Agency need not require competitive bidding in the following circumstances if no federal funds are involved:
 - (a) In the case of a contract for the acquisition of a low-rent housing project:
 - (i) For which financial assistance is provided by the federal government;
 - (ii) Which does not require any direct loan or grant of money from the municipality as a condition of the federal financial assistance; and
 - (iii) For which the contract provides for the construction of the project upon land that is either owned by the Agency for redevelopment purposes or not owned by the Agency at the time of the contract but the contract provides for the conveyance or lease to the Agency of the project or improvements upon completion of construction;
 - (b) With respect to a structured parking facility:
 - (i) Constructed in conjunction with, and directly above or below, a development; and
 - (ii) Financed with proceeds of tax increment or parking ramp general obligation or revenue bonds; and
 - (c) In the case of any building in which at least 75 percent of the usable square footage constitutes a housing development project, if:
 - (i) The project is financed with the proceeds of bonds issued under Minnesota Statutes Section 469.034 or from nongovernmental sources;
 - (ii) The project is either located on land that is owned or is being acquired by the Agency only for development purposes, or is not owned by the Agency at the time the contract is entered into but the contract provides for conveyance or lease to the Agency of the project or improvements upon completion of construction; and
 - (iii) The Agency finds and determines that elimination of the public bidding requirements is necessary in order for the housing development project to be economical and feasible.

- D. Procurement by Best Value Alternative for Contracts without Federal Funds. As an alternative to the procurement method described in Policy Section VII(C), when no federal funds are involved, and unless prohibited by applicable federal law, the Agency may issue a request for proposals for construction, demolition or clearing, purchases of equipment, supplies, or materials involving expenditures and award the contract to the vendor or contractor offering the best value in accordance with Minnesota Statutes, Sections 469.015, subd. 1a and 471.345, subd. 3a. The Agency will follow the requirements under Policy Section VII(E).
- E. Procurement by competitive proposals. The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed-price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids such as for professional service contracts, which include, by way of example and not limitation, legal services, accounting services, insurance consultants, public relations (marketing, newsletters, annual reports), personnel consultants, computer software or programming, architect and engineering (“A/E”) services (except for direct construction-related services, which shall be governed by the other guidelines set forth herein, as appropriate), surveying, financial services, compliance monitoring, owner’s representation services, and travel services and consultants. If this method is used, including the best-value alternative standards described in Policy Section VII(D), the following requirements apply:
1. Requests for proposals will be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals shall be honored to the maximum extent practical;
 2. Proposals will be solicited from an adequate number of qualified sources;
 3. The Agency will have a method for conducting technical evaluations of the proposals received and for selecting awardees;
 4. Awards will be made to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and
 5. The Agency may use competitive proposal procedures for qualifications-based procurement of professional services whereby competitors’ qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. For contracts involving federal funds, this method, where price is not used as a selection factor, can only be used in procurement of A/E services and cannot be used to purchase other types of services through A/E firms that are a potential source to perform the proposed effort.
- F. Procurement by Noncompetitive Proposals. Procurement by noncompetitive proposals is procurement through direct solicitation of a proposal from only one source, or, after solicitation of a number of sources, competition is determined inadequate.
1. Procurement by noncompetitive proposals may be used as expressly permitted under this Policy. In all other cases, procurement by noncompetitive proposals may be used only when the award of a contract is infeasible under small purchase procedures (Section VII(B)), sealed bids (Section VII(C)) or competitive proposals (Section VII(E)) and one of the following circumstances applies:
 - (a) The item is available only from a single source;

- (b) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- (c) The Agency authorizes noncompetitive proposals; or
- (d) After solicitation of a number of sources, competition is determined inadequate.

- 2. Cost Analysis. Cost analysis, i.e., verifying the proposed cost data, the projections of the data and the evaluation of the specific elements of costs and profits, is required.

G. Professional Services Contracts. The following procedures govern the award of contracts for professional services. Such services are intellectual in nature, do not involve the provision of supplies or materials, may include an analysis, an evaluation, a prediction, planning advice or a recommendation, and typically result in the production of a report or completion of a task or series of tasks. Examples of professional services include, but are not limited to, legal services, accounting services, insurance consultants, public relations (marketing, newsletters, annual reports), personnel consultants, computer software or programming, A/E services (except for direct construction-related services, which shall be governed by the other guidelines set forth herein, as appropriate), surveying, financial services, compliance monitoring, owner's representation services, and travel services and consultants.

- 1. Professional Services Requiring Prior Approval from the Board of Commissioners: If the amount of the contract for professional services is estimated to exceed \$50,000, such contract shall be authorized by the Board of Commissioners prior to execution of the contract. Execution of such contract shall be by the Chair or Executive Director on behalf of the Agency, or as otherwise authorized under the Agency bylaws.
- 2. Professional Services Not Requiring Prior Approval from the Board of Commissioners: If the amount of a professional services contract is estimated not to exceed \$50,000 and is consistent with the Agency's budget appropriations, the Executive Director or person authorized under the Agency bylaws or may enter into such contract without obtaining prior approval from the Board of Commissioners.
- 3. Method of Contract Award: Contracts for professional services may be awarded either through competitive proposals, small purchase procedures (for contracts valued at more than \$25,000 and up to \$175,000), or by direct solicitation without competitive proposals to a qualified vendor at a reasonable price (e.g., based on recent research, experience, or contracts). To the extent practicable, the Contracting Officer shall distribute direct-solicitation contracts for professional services equitably among qualified vendors.
- 4. Professional Services Contracts Involving Federal Funds. Subject to this Section VII(F), all professional service contracts involving federal funds will be awarded through competitive proposals, small purchase procedures (for contracts valued at more than \$25,000 and up to \$175,000), using qualifications-based procurement as provided in Section VII(E)(5) above, or using non-competitive proposals under Section VII(F), except in cases where the contract is \$10,000 or less – a micro purchase – in which case the contract may be awarded by direct solicitation without quotes to a qualified vendor at a reasonable price (e.g., based on recent research, experience, or contracts).
- 5. Continuing Service Contracts: The Agency may contract for professional services on a continuing basis, for either an indefinite or fixed term. The Agency may provide that

continuing contracts for professional services, such as architectural, engineering, legal and auditing services, be furnished on a general as-needed basis. Alternatively, the Agency may authorize that certain continuing professional services be furnished on the basis of individually defined and cost-estimated work for Agency tasks, with the Executive Director authorized to define and contract for the performance of such work tasks within the overall contract appropriation fixed by the Board of Commissioners.

6. Contract Rates and Charges: Professional service contracts shall provide for a lump sum payment or, alternatively, for a schedule of rates to be charged with an optional provision for a maximum amount which shall not be exceeded without approval from and Executive Director of the Agency

- G. Blanket Purchase Agreements. Purchases made under a blanket purchase agreement are usually of the day-to-day variety on a charge account basis. Generally, these agreements are made only with local sources so that individual purchases thereunder can be completed with a minimum of time and paperwork; provided, however, that if any individual purchase or aggregated purchase using federal funds exceeds \$10,000, the appropriate procedures governing such contracts shall be followed. The agreements should not constitute a contract, but rather consist of a pre-determination of terms and conditions of any contract which the Agency may wish to make in the future.

VIII. CONTRACT COST AND PRICE. The Agency must perform a cost or price analysis in connection with every procurement action, including contract modifications. Before awarding any contract, the Contracting Officer must determine that the proposed price is fair and reasonable.

- A. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the Agency must make independent estimates before receiving bids or proposals. A cost analysis must be performed when the offeror is required to submit the elements of his or her estimated cost, e.g., under professional, consulting, and A/E services contracts. A cost analysis will be necessary when adequate price competition is lacking and for sole source procurements, including contract modifications or change orders; unless price reasonableness can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public or based on prices set by law or regulation. A price analysis will be used in all other instances to determine the reasonableness of the proposed contract price.
- B. The Agency will negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration will be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.
- C. Costs or prices based on estimated costs for contracts under grants will be allowable only to the extent that costs incurred or cost estimates included in negotiated prices are consistent with federal cost principles (See 2 C.F.R. Section 200.323). The Agency may reference its own cost principles that comply with the applicable federal cost principles.
- D. The cost plus a percentage of cost and percentage of construction cost methods of contracting shall not be used.

IX. AWARDING AGENCY REVIEW. The Agency must make available, upon request of the awarding agency, technical specifications on proposed procurements where the awarding agency believes such review is needed to ensure that the item and/or service specified is the one being proposed for purchase. The review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if the Agency desires to have the review accomplished after a solicitation has been developed, the awarding agency may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.

X. BONDING REQUIREMENTS.

- A. For construction or facility improvement contracts, or as otherwise required by the Agency or federal, state, or local law, the minimum requirements for bonding shall be as follows:
1. A bid guarantee from each bidder equivalent to five percent of the bid price. The “bid guarantee” shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of his or her bid, execute such contractual documents as may be required within the time specified;
 2. A performance bond on the part of the contractor for 100 percent of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor’s obligations under such contract;
 3. A payment bond on the part of the contractor for 100 percent of the contract price. A “payment bond” is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract;
 4. Performance and payment bonds shall be required from contractors for any works of construction as provided in and subject to all the provisions of Minnesota Statutes Sections 574.26 to 574.31; and
 5. The Agency may accept a certified check or cashier’s check in the same amount as required for a bond in lieu of a performance bond for contracts entered into by the Agency for an expenditure of less than the minimum threshold amount in Minnesota Statutes Section 471.345, subdivision 3. The check must be held by the Agency for 90 days after the contract has been completed. If no suit is brought within the 90 days, the Agency must return the amount of the check to the person making it. If a suit is brought within the 90-day period, the Agency must disburse the amount of the check pursuant to the order of the court.

XI. CONTRACT PROVISIONS FOR PROJECTS WITH FEDERAL FUNDING.

- A. Required Contract Clauses. All contracts shall contain the following contract provisions to the extent applicable:
1. Administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate.
 2. Termination for cause and for convenience by the grantee or sub grantee including the manner by which it will be effected and the basis for settlement.

3. Compliance with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 C.F.R. Chapter 60).
 4. Compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 C.F.R. Part 3). (All contracts and sub grants for construction or repair.)
 5. Compliance with the Davis-Bacon Act (40 U.S.C. 276a to 276a-7, as supplemented by Department of Labor regulations (29 C.F.R. Part 5). (Construction contracts in excess of \$2000 when required by federal grant program legislation.)
 6. Compliance with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 C.F.R. Part 5). (Construction contracts in excess of \$2000, and in excess of \$2500 for other contracts which involve the employment of mechanics or laborers.)
 7. Notice of awarding agency requirements and regulations pertaining to reporting.
 8. Notice of awarding agency requirements and regulations pertaining to patent rights with respect to any discovery or invention, which arises or is developed in the course of or under such contract.
 9. Awarding agency requirements and regulations pertaining to copyrights and rights in data.
 10. Access by the Agency, the federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.
 11. Retention of all required records for three years after the Agency makes final payment and all other pending matters are closed.
 12. Compliance with all applicable standards, orders, or requirements issued under Section 306 of the Clean Air Act (42 U.S.C. 1857(h)), Section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 C.F.R. Part 15). (Contracts, sub contracts, and sub grants of amounts in excess of \$100,000.)
 13. Mandatory standards and policies relating to energy efficiency, which are contained in the state energy conservation plan, issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871).
 14. Compliance with Section 3 of the Housing and Urban Development Act of 1968 (24 C.F.R. Part 135).
- B. Forms. Forms HUD-5369, 5369-A, 5369-B, 5369, 5370, 5370-C, and 51915-A, which contain all HUD-required clauses and certifications for contracts that exceed \$175,000, as well as any forms/clauses required by HUD for small purchase and do not exceed \$175,000 shall be used in all corresponding solicitations and contracts issued by the Agency.

XII. ASSISTANCE TO SMALL AND OTHER BUSINESSES.

- A. Required Efforts. Consistent with Presidential Executive Orders 11625, 12138, and 12432, and Section 3 of the HUD Act of 1968, in connection with any contract using federal funds including, but not limited to, Section 3 covered assistance, or as otherwise required by law, all feasible efforts shall be made to ensure that small and minority-owned businesses, women's business enterprises, and other individuals or firms located in or owned in substantial part by persons residing in the area of an Agency project are used. Such efforts shall include, but shall not be limited to:
1. Including such firms, when qualified, on solicitation mailing lists;
 2. Encouraging their participation through direct solicitation of bids or proposals whenever they are potential sources;
 3. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by such firms;
 4. Establishing delivery schedules, where the requirement permits, which encourage participation by such firms;
 5. Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce;
 6. Including in contracts, to the greatest extent feasible, a clause requiring contractors to provide opportunities for training and employment for lower income residents of the project area and to award subcontracts for work in connection with the project to business concerns which provide opportunities to low-income residents, as described in 24 CFR Part 135 (so-called Section 3 businesses); and
 7. Requiring prime contractors, when subcontracting is anticipated, to take the positive steps listed above.

Goals shall be established periodically for participation by small businesses, minority-owned businesses, women's business enterprises, labor surplus area businesses, and Section 3 business concerns in the Agency's prime contracts and subcontracting opportunities.

B. Definitions.

1. "Section 3 covered assistance" is defined under 24 C.F.R. Section 135.3(a).
2. A "small business" is defined as a business that is: independently owned; not dominant in its field of operation; and not an affiliate or subsidiary of a business dominant in its field of operation. The size standards in 13 C.F.R. Part 121 should be used to determine business size.
3. A "minority-owned business" is defined as a business which is at least 51% owned by one or more minority group members; or, in the case of a publicly-owned business, one in which at least 51% of its voting stock is owned by one or more minority group members, and whose management and daily business operations are controlled by one or more such individuals. Minority group members include, but are not limited to Black Americans, Hispanic Americans,

Native Americans, Asian Pacific Americans, Asian Indian Americans, and Hasidic Jewish Americans.

4. A “women’s business enterprise” is defined as a business that is at least 51% owned by a woman or women who are U.S. citizens and who control and operate the business.
5. A “Section 3 business concern” is as defined under 24 C.F.R. Part 135.
6. A “labor surplus area business” is defined as a business which, together with its immediate subcontractors, will incur more than 50% of the cost of performing the contract in an area of concentrated unemployment or underemployment, as defined by the Department of Labor in 20 C.F.R. Part 654, Subpart A, and in the list of labor surplus areas published by the Employment and Training Administration.

XIII. CONTRACT PROVISIONS REQUIRED BY STATE STATUTES OR OTHER LOCAL REQUIREMENTS. All contracts shall contain provisions required by applicable state law or local requirements, including, but not limited to:

- A. All construction contracts must require that the contractor pay all subcontractors within ten days of receipt of payment from the Agency or pay interest at the rate of 1.5% per month or any part of the month; and
- B. All construction contracts must require that the contractor, after completion of the project must file Minnesota Department of Revenue (DOR) Form IC-134 with the DOR online or in written form. The Agency may not pay the contractor in full until it receives a copy of the Certified IC-134 from the DOR.
- C. Whether or not federal funds are involved, all construction contracts for projects solely owned by the Agency that exceed \$500,000 must require the contractor and its subcontractors to comply with federal prevailing wage law (40 U.S.C. §§ 3141 – 3148).

XIV. APPEALS AND REMEDIES.

- A. General. It is the Agency's policy to resolve all contractual issues informally at the Agency level. Disputes shall not be referred to HUD until all administrative remedies have been exhausted at the Agency level. When appropriate, the Agency may consider the use of informal discussions between the parties by individuals who did not participate substantially in the matter in dispute or mediation to help resolve the differences. HUD will only review protests in cases of violations of federal law or regulations and failure of the Agency to review a complaint or protest.
- B. Bid Protests. Any actual or prospective contractor may protest the solicitation or award of a contract for serious violations of the principles of this Policy. Any protest against a solicitation must be received before the due date for receipt of bids or proposals, and any protest against the award of a contract must be received within ten calendar days after contract award, or the protest will not be considered. All bid protests shall be in writing and submitted to the Contracting Officer, who shall issue a written decision on the matter. The Contracting Officer's decision shall inform the contractor of its appeal rights to the next higher level of Agency in the Agency. The Contracting Officer may, at his or her discretion, suspend the procurement pending resolution of the protest, if warranted by the facts presented.

- C. **Contractor Claims.** All claims by a contractor relating to performance of a contract shall be submitted in writing to the Contracting Officer or designee for a written decision. The contractor may request a conference on the claim. All claims shall be in writing and submitted to the Contracting Officer, who shall issue a written decision on the matter. The Contracting Officer's decision shall inform the contractor of its appeal rights to the next higher level of Agency in the Agency.

XV. DELEGATION OF CONTRACTING AUTHORITY. While the Executive Director is responsible for ensuring that the Agency's procurements comply with this Policy, the Executive Director may delegate all procurement Agency as is necessary and appropriate to conduct the business of the Agency. Further, and in accordance with this delegation of Agency, the Executive Director shall, where necessary, establish operational procedures (such as a procurement manual or standard operating procedures) to implement this Policy. The Executive Director shall also establish a system of sanctions for violations of the ethical standards described in Article V above, consistent with federal, state, or local law.

XVI. DOCUMENTATION. The Agency must maintain records sufficient to detail the significant history of each procurement action in accordance with 2 C.F.R. Sections 200.318(i). These records shall include, but shall not necessarily be limited to, the following:

- A. Rationale for the method of procurement (if not self-evident);
- B. Rationale of contract pricing arrangement (also if not self-evident);
- C. Reason for accepting or rejecting the bids or offers;
- D. Basis for the contract price (as prescribed in this Policy);
- E. A copy of the contract documents awarded or issued and signed by the Contracting Officer;
- F. Basis for contract modifications; and
- G. Related contract administration actions.

The level of documentation should be commensurate with the value of the procurement. Records are to be retained for a period of three years after final payment and all matters pertaining to the contact are closed. If any claims or litigation are involved, the records shall be retained until all issues are satisfactorily resolved.

XVII. SELF-CERTIFICATION. The Agency self-certifies that this Policy and the Agency's procurement system complies with all applicable federal regulations and, as such, the Agency is exempt from prior HUD review and approval of individual procurement action.

XVIII. PUBLIC HEALTH EMERGENCY FUNDS. In response to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19), declared in Minnesota on March 13, 2020 by Governor Walz (the "Public Health Emergency"), the Agency may be eligible to receive funds from federal, state, local, nonprofit, or other sources. Due to the nature of these funds, designed to respond immediately to the Public Health Emergency, the Agency will follow the procedures under Section VII(F), unless prohibited by the requirements specified by the funding source. The Agency will retain all appropriate records. The Executive Director is authorized to take such actions as may be reasonably necessary for the Agency to receive and disburse funds related to the Public Health Emergency.

References

2 C.F.R. § 200.317-200.326
Minnesota Statutes
HUD Publication 7460.8 REV-2

3. FEE PROPOSAL - Year 1
 (See Proposal Instructions, Section 8, for Further Information)

Project Name	Gross Rents@ 100% Occupancy & Laundry Income 2023 Budget	Property Management Fee	Salary and Benefits of Proposed On-Site Personnel	Salary and Benefits of Proposed Maintenance	Total Fee Proposal
Ann Bodlovick	\$523,100				
Briar Pond	2,534,100				
Brick Pond	415,600				
Cobble Hill	477,800				
Groves Apartments	804,300				
John Jergens	306,800				
Muller Manor	246,000				
Oakhill Cottages	389,500				
Park Place I	327,100				
Park Place II	54,700				
Piccadilly Square	920,000				
Pioneer	151,700				
Raymie Johnson	1,419,700				
Scattered Site	920,800				
The Glen at Valley Creel	440,000				
TrailSide Senior Living	703,200				
Transitional Housing	17,580				
Whispering Pines	181,500				
Woodland Park	2,235,900				
Total	\$13,069,380				

Salary and benefits should include salary plus any benefits offered to employee that will be paid for by the CDA.

Do not include rent concessions paid to employees living at CDA owned properties.

All anticipated costs that will be passed through to the CDA should be disclosed here. Add additional columns if needed.

3. FEE PROPOSAL - Year 2
 (See Proposal Instructions, Section 8, for Further Information)

Project Name	Gross Rents@ 100% Occupancy & Laundry Income Year 1 + 2%	Property Management Fee	Salary and Benefits of Proposed On-Site Personnel	Salary and Benefits of Proposed Maintenance	Total Fee Proposal
Ann Bodlovick	\$533,562				
Briar Pond	2,584,782				
Brick Pond	423,912				
Cobble Hill	487,356				
Groves Apartments	820,386				
John Jergens	312,936				
Muller Manor	250,920				
Oakhill Cottages	397,290				
Park Place I	333,642				
Park Place II	55,794				
Piccadilly Square	938,400				
Pioneer	154,734				
Raymie Johnson	1,448,094				
Scattered Site	939,216				
The Glen at Valley Creel	448,800				
TrailSide Senior Living	717,264				
Transitional Housing	17,932				
Whispering Pines	185,130				
Woodland Park	2,280,618				
Total	\$13,330,768				

Salary and benefits should include salary plus any benefits offered to employee that will be paid for by the CDA.

Do not include rent concessions paid to employees living at CDA owned properties.

All anticipated costs that will be passed through to the CDA should be disclosed here. Add additional columns if needed.

3. FEE PROPOSAL - Year 3
 (See Proposal Instructions, Section 8, for Further Information)

Project Name	Gross Rents@ 100% Occupancy & Laundry Income Year 2 + 2%	Property Management Fee	Salary and Benefits of Proposed On-Site Personnel	Salary and Benefits of Proposed Maintenance	Total Fee Proposal
Ann Bodlovick	\$544,233				
Briar Pond	2,636,478				
Brick Pond	432,390				
Cobble Hill	497,103				
Groves Apartments	836,794				
John Jergens	319,195				
Muller Manor	255,938				
Oakhill Cottages	405,236				
Park Place I	340,315				
Park Place II	56,910				
Piccadilly Square	957,168				
Pioneer	157,829				
Raymie Johnson	1,477,056				
Scattered Site	958,000				
The Glen at Valley Cree	457,776				
TrailSide Senior Living	731,609				
Transistional Housing	18,290				
Whispering Pines	188,833				
Woodland Park	2,326,230				
Total	\$13,597,383				

Salary and benefits should include salary plus any benefits offered to employee that will be paid for by the CDA.
 Do not include rent concessions paid to employees living at CDA owned properties.
 All anticipated costs that will be passed through to the CDA should be disclosed here. Add additional columns if needed.

Guidance for Services Contract

Proposed Contract/Management Agreement

After a Proposer is selected, the CDA will enter into negotiations with the company to prepare a management contract. A majority of the provisions of the contract/management agreement are discussed in this proposal; however, the CDA reserves the right to negotiate additional provisions as deemed necessary. In general, the contract will contain the following basic provisions:

- A. Term. The term of the contract will be for three years. The Agreement shall commence on January 1, 2023 and shall continue until December 31, 2025.
- B. Extension at Option of CDA. By written notice to the Proposer not later than sixty (60) days before the end of the then-existing term, the CDA, at the CDA's option, may extend the term of the Agreement for an additional term of not more than 12 months; provided, however, that such option (a) may not be exercised more than twice (that is, in no event shall any extended term of this Agreement continue after December 31, 2027); and (b) shall be subject to satisfactory agreement between the CDA and Proposer regarding the compensation of the Proposer during such extended term.
- C. Performance Appraisals. During the first year of the contract, the Finance Director will complete a performance appraisal at six months and annually thereafter.
- D. Insurance Requirements:
 1. The Proposer must furnish certificates evidencing workers' compensation and commercial general liability insurance. It is requested that the workers' compensation and employer's liability coverage have a limit of not less than \$500,000 each person per accident, \$500,000 each employee by disease, and \$500,000 all employees by disease, including other states coverage, or such higher limits if required by applicable law. Commercial General Liability coverage including liability arising from premises, operations, independent contractors, products-completed operations (if applicable), personal injury and advertising injury, and contractual liability, with a limit of not less than \$1,000,000 per occurrence and \$2,000,000 and general aggregate. Such certificates must provide that owner will be given at least 30 days prior written notice of cancellation or of any material change in the policies. The manager will not be reimbursed for the cost of this insurance. The CDA will also be named as an "additional insured."
 2. The Proposer should also obtain at its own expense a fidelity bond in an amount equal to one month's gross receipts. The premium on a fidelity bond shall not be payable from the operating funds of the properties.
 3. The Proposer should also obtain at its expense Tenant Discrimination Insurance with a limit not less than \$1,000,000 per occurrence and \$1,000,000 general aggregate and no exclusions for sexual molestation. The CDA cannot carry the Proposer as an additional insured on its Tenant Liability Insurance policy.
 4. The Proposer shall provide coverage for liability arising out of the operation, maintenance or use of any automobile, whether owned, non-owned, rented or leased, with a limit not less than \$1,000,000 Combined Single Limit.
 5. The Proposer shall obtain Crime Coverage, providing coverage for theft, disappearance, destruction, and employee dishonesty with a limit of not less than \$1,000,000.

6. The Proposer shall obtain Umbrella Liability excess of the Commercial General Liability and Business Automobile Coverage with a limit not less than \$5,000,000.
 7. The Proposer is also responsible for requiring proper insurance from contractor's who are completing work on the CDA's properties.
- E. Amendments. Amendments may occur from time to time, as long as both parties mutually agree to the terms. One example of the necessity for an amendment is the addition or subtraction of housing units in the CDA's portfolio.
- F. Indemnity. The agreement will specify each party's responsibilities in terms of indemnity and defense in the event of any claims or damages.
- G. Compensation. The agreement will spell out the terms of compensation to the Proposer in return for services rendered. Because almost all of the CDA's non-Scattered Site properties are financed with tax-exempt bonds, the compensation arrangements of property managers are governed by Internal Revenue Code requirements to avoid "private business use" of the properties by the property manager. Under these rules, a substantial portion of the property manager's compensations will be based on a periodic fixed payment. For your information, permissible compensation arrangements are described in Internal Revenue Service Rev. Proc. 97-13.