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Request for Proposals

For

Property Management Services

June 21, 2021

Deadline for Submission: July 21, 2021

Please provide three hard copies and one electronic copy of the response, via US Mail or delivery service marked clearly:

“Request for Proposals – Property Management” to:

Mark Failor, Director of Property Management
Housing Authority of the County of Santa Cruz
2160 41st Avenue
Capitola, CA 95010
markf@hacosantacruz.org

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HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
2160 41ST Avenue, Capitola, CA 95010

**REQUEST FOR PROPOSALS FOR
Property Management Services**

1. Introduction

The Housing Authority of the County of Santa Cruz and its affiliate New Horizons Affordable Housing and Development Corp (New Horizons) - collectively referred to below as HACSC - are requesting proposals from qualified property management firms to provide property management services for owned properties. HACSC is seeking a single management firm to manage its portfolio of properties. HACSC reserves the right to gradually transfer management of properties currently managed by HACSC and to add new ones as necessary.

The existing multifamily portfolio consists of 18 townhome style complexes and 1 apartment style complex consisting of 19 scattered sites throughout the County of Santa Cruz ranging in size from 5 to 36 units, for a total of 325 units. Additionally, there is one proposed site, currently going through the development process consisting of 20 SRO units located in the City of Santa Cruz. Estimated completion date is Summer/Fall of 2022.

2. Property Descriptions

Property Name and Ownership	Unit Size	Year Built	Housing Type	Program Type
<u>New Horizons 15 Scattered Sites addressed as one property:</u>			Multi Family Townhome Style	Section 8 Housing Choice Voucher/Affordability Deed Restricted with Market Rate Leases
2350 17 th Ave SC	14	1983		
951 30 th Ave SC	19	1983		
1223 Broadway Ave SC	5	1984		
81-87 Grandview St SC	15	1984		
301 La Fonda Ave SC	12	1984		
2635 Portola Dr SC	24	1984		
1900-1920 Courtyard SC	12	1984		
50 Arista Court WAT	16	1996		
55 Arista Lane WAT	15	1996		
160 Blackburn Ave WAT	14	1984		
225-239 Crestview WAT	16	1984		
308 Clifford Ave WAT	16	1996		
310-314 Clifford Ave WAT	16	1992		
179-195 Montebello WAT	16	1984		
100-148 Seneca WAT	24	1984		

New Horizons/Brommer: 925-935 Brommer SC	6	1965	Multi-Family Apartment	Section 8 Housing Choice Voucher/Affordability Deed Restricted with Market Rate Leases/Chronically Homeless and Disabled Preference/ Referrals from County Agency
Housing Authority:				
100-109 Tierra Alta Dr WAT	36	1983	Multi-Family Townhome Style	USDA/HCD
127-193 East Front WAT	34	1977&78	Multi-Family Townhome Style	USDA/HCD
3221 Merrill Rd Aptos	15	1982	Multi-Family Townhome Style	LIHTC/HCD
TOTAL	325			

Other newly built or newly acquired properties may be added during the 3 year term that this contract is valid, provided that the fee schedule is consistent with the original proposal.

None of the listed properties have onsite manager units or offices.

3. Services Requested

- Provide customary property management services required for the ordinary and day to day business and affairs of the properties in a professional manner consistent with the leasing, maintenance and financial management of multi-family properties. HACSC may also want contract for a limited scope of work/service(s) as opposed to full property management. If Proposer is able to provide limited scope(s) of work/services, please list pricing on Attachment B, Property Management Fee Proposal.
- Having a high degree of ongoing positive tenant relations is important. Proposer should explain in detail how they will cultivate and maintain quality tenant satisfaction. This is an important area and has a separate line item and scoring under Proposal Evaluation factor 2.
- Conduct annual and interim income certifications in accordance with LIHTC and/or other funding regulations for 85 units, (70 USDA farmworker housing units, and 15 Merrill Road tax credit units). **Provide cost for annual income certification under Attachment B.**

- Proposals should take into consideration the following property management services:
- Leasing and Resident Services Management
 - Maintain and continue to cultivate positive tenant relations
 - Advertising for future vacancies and working with existing waiting lists
 - Screen prospective tenants
 - Show vacant units
 - Filling vacancies/leasing units
 - Conduct appropriate background checks
 - Prepare leases and conduct move in process
 - Take and address resident phone calls
 - Address lease violations/tenant complaints
 - Lease management and enforcement
 - Prepare and serve delinquency, cure, quit and vacate notices as warranted
 - Develop reports to owner regarding occupancy/leasing status
 - Annual unit inspections
 - Maintain current records of appliances in units and verify same during annual unit inspections
 - After hours/emergency availability/response
- Maintenance and Physical Management
 - Take maintenance calls
 - Prepare work orders as needed
 - Follow up on completed work orders as needed to ensure quality work
 - Vacant unit turnover
 - Supervise the modernization of vacant units as warranted upon turnover
 - Perform general building and ground maintenance as needed/warranted
 - Perform parking lot and site maintenance
 - Preventative maintenance – cleaning of rain gutters, landscape drains etc.
 - Supervision and monitoring of hired maintenance staff/vendors
 - Develop reports to owner regarding maintenance matters
 - Oversee/project manage capital improvements TBN
 - Contract for services over \$5,000 or contracts over 1 year require Owner approval
 - Coordinate and supervise vendor work budget threshold \$5,000

- After hours/emergency availability/response
- Financial and Compliance Management
 - Rent collections/delinquency reports
 - Issuing rent increases as needed/warranted
 - Reconciling of tenant rent portion and the HAP rent with HA records
 - Preparing and posting notices to pay rent or quit as well as other customary lease enforcement notices
 - Accounts receivable/payable
 - Monthly bank reconciliation
 - Preparation of monthly/yearly/ad hoc financial reports for owner and regulatory agencies.
 - Prepare annual budgets both operational and capital for owner and regulatory agencies.
 - Work with owner's financial staff and outside auditor as needed/warranted
 - Ensure and understand prevailing wage law and compliance
 - Reading of sub water meters and mail monthly tenant rent statements and water invoices to tenants

4. RFP Information

HACSC Procurement Contact Person	Mark Failor markf@hacosantacruz.org
Pre- Proposal Meeting	To be scheduled with interested parties
Inquiries/Clarification Requests	All Inquiries/Clarification requests must be submitted in writing to markf@hacosantacruz.org with copy to amyg@hacosantacruz.org by July 14, 2021
Proposal Format	Submit 1 electronic (email) and 3 hard copies of your proposal to the HACSC main office as noted below.
Bid Submittal Return and Deadline	July 21, 2021 at 3:00 p.m. Housing Authority of the County of Santa Cruz Attn: Mark Failor 2160 41 st Avenue Capitola, CA 95010 markf@hacosantacruz.org Please note: Bids may be submitted by mail or hand delivered. Documents, including those mailed, must be received by Housing Authority

	of the County of Santa Cruz no later than 3:00 p.m. on this date.
Owner's Authorized Representative	Mark Failor, Director of Property Management

Proposers are required, to attend a pre-proposal meeting to be held as outlined above. Proposers may present questions and request clarification to this RFP at the pre-proposal meeting or by submitting a written request via email to (email: markf@hacosantacruz.org and copied to amyg@hacosantacruz.org). Questions must be received in writing no later than 7 days prior to the deadline for proposals. A list of the questions asked and answers will be posted on our website, www.hacosantacruz.org and available for review by all potential proposers.

Proposals received after the deadline will not be accepted and will be disqualified. In order to be considered on time, a proposal must be date-stamped by the above date 3:00 PM. Postmarks will not be accepted.

5. Purpose and Reservation of Rights

The Housing Authority of the County of Santa Cruz and its affiliates (collectively HACSC) is soliciting proposals from interested, qualified property management companies for Property management services of owned properties.

HACSC’S RESERVATION OF RIGHTS.

- A. Right to Reject, Waive, or Terminate the RFP.** The HACSC 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 HACSC to be in its best interests.
- B. Right to Not Award.** The HACSC reserves the right not to award a contract pursuant to this RFP.
- C. Right to Retain Proposals.** The HACSC reserves the right to retain all proposals submitted and not permit withdrawal for a period of 90 days subsequent to the deadline for receiving proposals without the written consent of the HACSC Contact Person.
- D. Right to Negotiate.** The HACSC reserves the right to negotiate the fees proposed by the proposer entity.
- E. Right to Reject Any Proposal.** The HACSC 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.

- F. **No Obligation to Compensate.** The HACSC shall have no obligation to compensate any proposer for any costs incurred in responding to this RFP.
- G. **Price Firm.** Proposed prices must be firm for 90 days from date of proposal.
- H. **Proposals as Public Records.** All proposals in response to this RFP are public records and available for inspection and copying upon request only if the agreement is recommended for award and only five business days prior to the date the Housing Authority Board of Commissioners will consider such award.
- I. **Protest:** Any Proposer may protest the solicitation or award of a contract for serious violations of the process. Any protest against a solicitation must be received before the due date for the receipt of bids or proposals, and any protest against the award of the contract must be received within ten (10) calendar days after the proposer receives notice of the contract award, or the protest will not be considered. All protests shall be in writing, submitted to the contracting officer, who shall issue a written decision on the matter. The contracting officer or designee may, at his/her discretion, suspend the procurement pending resolution of the protest if the facts presented so warrant. Protests should be sent to:

Housing Authority of the County of Santa Cruz
Attn: Executive Director
2160 41st Avenue
Capitola, CA 95010

Failure to lodge a written protest in accordance with these procedures will constitute the Proposers' waiver of any legal right to challenge the protest in a court of law.

- J. **Equal Opportunity:** HACSC strongly encourages minority-owned and women-owned businesses, socially and economically disadvantaged business enterprises, and small businesses to submit proposals, to participate as partners, or to participate in other business activity in response to this RFP.
- K. **Conflict of Interest:** In submitting a proposal, the firm affirms that to the best of its knowledge, there exists no actual or potential conflict between the firm's business and financial interests and any commissioner, officer, employee, or agent of HACSC or HACSC's affiliate corporate entities. To the extent that a potential conflict exists, this must be disclosed in the proposal.

6. Proposal Format

All proposals submitted in response to this RFP must be formatted in accordance with the sequence listed below. Each category should be separated by dividers.

A. Profile of Firm (Attachment A). This form is a requirement of the proposal.

Client References. The proposer shall submit a list of five former or current clients, for whom the proposer has performed similar or like-kind services to those being proposed in this solicitation. At minimum, the list shall include the following:

- i. The client's name
- ii. The name of client's primary contact
- iii. The client's telephone number and e-mail address
- iv. A brief narrative description of how the services provided are similar to those requested in this RFP, the scope of services provided and the dates of services.

B. Fee Schedule (Attachment B) must be completed for each property including one for "Scattered Sites".

C. Proposed Services. The proposer shall provide a detailed description of its approach (**Work Plan**) in providing the required services, including a description of the proposed staffing plan and assigned duties of staff/subcontractors for each category of services required (day-to-day management and leasing, security, maintenance, minor capital repairs, emergency services, financial and management reporting, compliance).

D. Financial Viability. The proposer entity must submit a concise description of its financial capacity to deliver the proposed services.

E. Management Plan. The proposer must submit a concise description of its managerial capacity to deliver the proposed services. The description shall outline the proposer's qualifications to provide the services, the firm's background, the firm's organizational structure, and include a discussion on the following topics:

- i. The proposer's Technical Capabilities as described within Evaluation Factor No. 4.
- ii. The proposer's Demonstrated Experience in performing similar work and Demonstrated Successful Past Performance as described within Evaluation Factor No. 5.
- iii. An explanation of the proposing firm's quality control program; copies of any forms or documents and description of any software that will be used (**preferred financial software is Yardi**); and samples of any required reports including details related to the method, frequency and delivery of the reports.

- iv. Provide a staffing plan for the various properties (manager, maintenance, janitorial etc.). Include a description of the proposing firm's approach to evaluating existing HACSC site-based property staff when taking over management of a property in operation.

F. Subcontractor/Joint Venture Information (Optional Item). The proposer shall identify whether or not it intends to use any subcontractors for this contract, if awarded, and whether the proposal is a joint venture with another firm. Please remember that all information required from the proposer must also be included for any major subcontractors (10% or more) or from any joint venture.

7. Proposal Submission

All proposals must be submitted and time-stamped received in the designated HACSC office by no later than the submittal deadline stated herein (or within any ensuing addendum). A total of one electronic (email) copy and 3 hard copies of the proposal submittal shall be addressed to:

Housing Authority of the County of Santa Cruz
Attention: Mark Failor
markf@hacosantacruz.org

The package exterior must denote the RFP title and must have the proposer's name and return address. Proposals received after the published deadline will not be accepted except as otherwise provided by applicable law or regulation.

- i. **Submission Conditions.** Proposers are not allowed to change any requirements or forms contained herein, either by making or entering onto these documents or the documents submitted any revisions or additions; and if any such additional marks, notations or requirements are entered on any of the documents that are submitted to the HACSC by the proposer, such may invalidate that proposal. If, after accepting such a proposal, the HACSC decides that any such entry has not changed the intent of the proposal that the HACSC intended to receive, the HACSC may accept the proposal and the proposal shall be considered by the HACSC as if those additional marks, notations or requirements were not entered on such.
- ii. **Submission Responsibilities.** It shall be the responsibility of each proposer to be aware of and to abide by all dates, times, conditions, requirements and specifications set forth within all applicable documents issued by the HACSC, including the RFP document, the documents listed, and any addenda and required attachments submitted by the proposer. By virtue of completing, signing and submitting the completed documents, the proposer is stating his/her agreement to comply with all conditions and requirements set forth within those documents. Written notice from the proposer not

authorized in writing by HACSC's Contact Person to exclude any of the HACSC requirements contained within the documents may cause that proposer to not be considered for award.

K. Proposer's Responsibilities – Contact with the HACSC. It is the responsibility of the proposer to address all communication and correspondence pertaining to this RFP process only to the HACSC Contact Person named on the RFP. Proposers must not make inquiry or communicate with any other HACSC staff member or official (including members of the Boards of Commissioners) pertaining to this RFP. Failure to abide by this requirement may be cause for the HACSC to not consider a proposal submittal received from any proposer who has not abided by this directive.

i. **Addendums.** All questions and requests for information must be addressed in writing to the HACSC Contact Person.

8. Proposal Evaluation

A. Evaluation Factors. The HACSC intends to retain the successful proposer pursuant to a "Best Value" basis, not a "Low Proposal" basis ("Best Value," in that the HACSC will, as detailed within the following Section, consider factors other than just cost in making the award decision). The following factors will be considered within a 100 maximum point scale to evaluate each proposal submittal received to determine if the proposer meets the stated requirements. Failure to meet these requirements may be cause for eliminating the proposal from further consideration; HACSC reserves the right to consider other factors it deems in the interest of HACSC, at its sole discretion, with or without prior notice to proposers:

NO.	FACTOR DESCRIPTION	POINTS
1	The PROPOSED COSTS the proposer proposes to charge the Owner.	10 points max
2	The proposer's DEMONSTRATED UNDERSTANDING of the need for ongoing quality customer service and positive tenant relations.	15 points max
3	The APPROPRIATENESS of the TECHNICAL APPROACH and the QUALITY of the WORK PLAN (including where appropriate, labor categories, estimated hours and skill mix).	25 points max
4	The proposer's TECHNICAL CAPABILITIES (in terms of personnel, equipment and materials) and the MANAGEMENT PLAN (including staffing of key positions, method of assigning work and procedures for maintaining level of service, etc.) See Minimum Requirements in section B.I. below.	25 points max

5	The proposer's DEMONSTRATED EXPERIENCE in performing similar work and the proposer's DEMONSTRATED SUCCESSFUL PAST PERFORMANCE (including meeting costs, schedules, performance requirements, and meeting occupancy standards.	25 points max
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B. Evaluation Method.

i. Initial Evaluation for Responsiveness.

- a) Each proposal will first be evaluated for responsiveness to ensure that it meets the minimum requirements.
- b) **Minimum Requirements.** A proposer will be considered “non-responsive” to this RFP and will be disqualified from further consideration if any of the following minimum qualifications are not met.
 - 1) Proposer must have at least five (5) years of experience providing property management services and experience with affordable housing rules and regulations such as Low-Income Housing Tax Credits, USDA, Housing & Community Development and the Housing Choice Voucher program.
 - 2) Proposer must have at least five (5) separate client references where proposer has performed the same or similar professional services to those proposed in this solicitation. The proposing firm must have performed the work as the prime contractor for each of the client references listed. Note: References shall be evaluated and scored as part of the “Experience” Evaluation Factor No. 5 as described in Article 4.01. Therefore, it is important that each reference be as complete and descriptive of the work performed, and as similar as possible to the Owner’s requirements.
 - 3) Proposer must be a licensed real estate broker, authorized to perform property management services in the State of California and proposing firm must be in good standing.
 - 4) The proposed staff for Properties are expected to have at least two (2) years of experience providing property management services, preferably for an affordable housing development. Proposer must demonstrate adequate supervision and quality control mechanisms to supervise properties and staff.
 - 5) Proposing firm’s supporting financial documentation must indicate sufficient assets and cash flow to manage the Project(s).
 - 6) Proposer should include information related to home office administrative staff including experience of the manager in charge of accounting and compliance functions. Include a disclosure of

any significant findings or audit matters through TCAC, HUD or the IRS.

- ii. **Evaluation Committee.** The HACSC anticipates that the Executive Director will select a minimum of a three-person committee to evaluate each of the responsive proposals submitted in response to this RFP.
- iii. **Potential “Competitive Range” or “Best and Finals” Negotiations.** The HACSC reserves the right to conduct a “Best and Final” Negotiation, which may include oral interviews, with all firms deemed to be in the competitive range. Any firm deemed not to be in the competitive range shall be notified of such in writing by the HACSC in a timely manner as possible.
- iv. **Determination of Top-ranked Proposer.** The Owner’s Authorized Representative, the final rankings will be forwarded to the Boards of Commissioners (BOC) at a scheduled meeting for approval. Contract negotiations may, at the HACSC's option, be conducted prior to or after the BOC approval.
- v. **Restrictions.** All persons having familial (including in-laws) and/or employment relationships (past or current) with principals and/or employees of a proposer entity should make this fact known and disclose the relationship.

9. Contract Provisions

- A. **Acceptance of Terms and Conditions.** By completing, executing and submitting the Owner-required documentation, the proposer is thereby agreeing to abide by all terms and conditions pertaining to this RFP as issued by the Owner, including the contract clauses attached. Accordingly, after the submittal deadline, the Owner has no responsibility to conduct any negotiations pertaining to the contract clauses already published.
- B. **Contract Conditions.** The following provisions are considered mandatory conditions of any contract award made by the Owner pursuant to this RFP:
 - i. **Contract Form.** —By submitting a proposal, successful proposer agrees to negotiate in good faith to develop/modify an agreeable Property Management Agreement
 - ii. **HUD Forms.** Owner has no legal authority to negotiate any clauses contained within any of the HUD forms included as a part of this RFP. By submitting a proposal, successful bidder agrees to execute HUD forms without revisions.
 - iii. **Assignment of Personnel.** The Owner shall retain the right to demand and receive a change in personnel assigned to the work if the Owner believes that

such change is in the best interest of the Owner if performance goals are not being meet.

- iv. **Unauthorized Sub-Contracting Prohibited.** The successful proposer shall not assign any right nor delegate any duty for the services proposed pursuant to this RFP without the prior written consent of the Owner's Authorized Representative. Any purported assignment of interest or delegation of duty, without Owner's prior written consent, shall be void and may result in the cancellation of the contract, or may result in the full or partial forfeiture of funds paid to the successful proposer.
- v. **Contracting Period.** The Owner anticipates that it will award a contract for an initial three-year period. At the end of the initial contract period, Owner, at Owner's discretion, will extend contract in 1 year increments.
- c. **Indemnification and Insurance Requirements.** Successful proposer agrees to indemnify Owner, Owner's affiliated corporations, HACSC and their officers and employees and maintain the policies to be set forth in the Property Management Agreement. All policies, endorsements, certificates and/or binders shall be subject to the approval of Owner's Risk Manager. Agent agrees to provide Owner with a copy of said policies, certificates and endorsements before services commence under the Agreement.
- D. **Right to Negotiate Final Fees.** The Owner shall retain the right to negotiate the amount of fees that are paid to the successful proposer, meaning the fees proposed by the top-rated proposer may, at the Owner's options, be the basis for the beginning of negotiations. Such negotiations shall begin after the Owner has chosen a top-ranking proposer. If such negotiations are not, in the opinion of the contracting official successfully concluded within 5 business days, the Owner shall retain the right to end such negotiations and begin negotiations with the next-rated proposer.
- E. **Contract Service Standards.** All services performed pursuant to the Agreement entered into as a result of this RFP must conform and comply with all applicable local, state and federal laws and regulations.

10. Attachments

Attachment A – Profile of Firm

Attachment B – Proposer's Fee Schedule