

REQUEST FOR PROPSALS

**RAD CAPITAL NEEDS ASSESSMENT (CNA)
AND
CNA e-TOOL**

for

**RENTAL ASSISTANCE DEMONSTRATION (RAD)
CONVERSIONS**

for

**Housing Authority
of the
City of Freeport, Illinois**

RFP No. 01-2023

Issue Date: January 13, 2023

Due Date: January 31, 2023

General Information

HACF is a public corporation organized under the Housing Authorities Act of the State of Illinois and constitutes a body both corporate and politic exercising public and essential governmental functions to provide adequate housing at rents which person of low income can afford. Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low-income housing program in the United States. Accordingly, HUD contracts with HACF to administer certain HUD funds. The HACF owns and/or manages 196 conventional public housing units located within four communities in the Stephenson County.

HACF is governed by a 7-member Board of Commissioners, appointed by the Mayor of the City of Freeport. The Board hires the Chief Executive Officer, establishes policies, approves contracts, and sets the long-range goals for the authority.

HACF is seeking proposals from consultants for the completion of A Capital Needs Assessment (CNA), as required by HUD's Rental Assistance Demonstration (RAD) Program. HACF (PHA) recently received a CHAP (Commitments to Enter into a Housing Assistance Payment) for its Asset Management Project (AMP) IL029000002 Westview Homes, which reflects 196 public housing units included four distinct properties. The RAD conversion will be using Project-Based Rental Assistance (PBRA).

Information At a Glance

Date Issued	
Agency Contact:	Bernadette Mekalska, Executive Coordinator 815-232-4171 ext. 1063 bmekalska@hacf.us
Last Day for Questions and Submittal Requirements	January 20, 2023, at 3:00 p.m.
RFP Due Date	January 31, 2023, at 3:00 p.m.
RFP Submittal Requirements	
Anticipated Board Approval	TBD
How to Obtain the RFP Documents	https://www.freeporthousing.org/Procurement.aspx

Introduction

The Housing Authority of the City of Freeport (hereafter referred to as "HACF"), is inviting proposals from consultants experienced and qualified for the completion of its Rental Assistance Demonstration (RAD) Capital Needs Assessment with E-Tool and Energy Audit. HACF is expecting to complete minimal rehabilitation as part of the RAD conversation.

The Capital Needs Assessor's Qualification and Assessments shall comply with all RAD CNA requirements, including without limitation:

1. HUD's Rental Assistance Demonstration (RAD): Physical Condition Assessment Statement of Work and Contractor Qualifications (Appendix 1) with the exception of Part This RFP does not include the Utility Consumption Baseline.
2. HUD e-tool CNA Assessment Tool v1.2 and instructions

3. HUD “Rental Assistance Demonstration – Guide to the RAD Physical Condition Assessment (RPCA)”
4. HUD Notice PIH 2012-32 (HA), - H-2019-09 PIH 2019-23 REV 4, dated September 5, 2019

The Capital Needs Assessor’s reports shall include identification and discussion of all potential energy measure improvements and water conservation improvements per the HUD RAD CNA directions. The Consultant’s report shall also identify and discuss any utility company rebate programs and the potential cost savings and rebate dollars expected from the proposed green upgrades.

The eCNA drives the scope of rehab work, the development budget, and the initial and annual deposits to replacement reserves. The online Capital Needs Assessment (eCNA) will allow the HACF to complete a financing plan for HUD approval and to budget and implement building improvements, energy/water conservation opportunities and possible “green” improvements under future competitively bid contracts.

HACF staff will assist the consultant with scheduling the Capital Needs Assessments, and Energy Audit by providing access to buildings, apartments, and mechanical systems. HACF staff will also assist the Consultant by generating notices and delivering them to the residents.

Services

Services shall include:

1. Meet with HACF to prepare for capital needs assessment. Review HUD CNA requirements, including eCNA requirements and ASHRAE L2 audit requirements and data to be provided by in **Appendix 2**. Review planned schedule for completing the various components of the eCNA.
2. Conduct each site inspection as required and complete a draft of the eCNA and Energy Audit report in accordance with HUD requirements detailed in **Appendix 2**.
3. The inspection should include no less than 25% of occupied units, and 100% of all vacant units and common areas for each asset specified in **Appendix 2**.
4. Submit the draft eCNA to the HACF for review and comments. The draft shall include a categorization of immediate needs, needs to be funded in years 2 through 5, and needs to be funded years 6 through 20.
5. Revise draft eCNAs as necessary until HACF has approved the final document, while keeping in mind HUD requirements for approval.
6. Submit final eCNAs to HACF for final approval.
7. Complete and validate the eCNA Tool, Flag Notes, Assessment Summary Report and any needed Attachments. Submit one electronic copy of each final eCNA, and Energy Audit Report to the HACF for uploading to HUD.
8. Revise submitted eCNAs, as necessary per HUD’s comments/instructions.

9. Submit ASHRAE Level 2 report for HACF approval and submission to HUD.
10. Revise all reports as needed to gain HUD approval

Submittals

Proposals should be submitted in the following format, with Tabs separating each section:

1. **Letter of Transmittal.** A transmittal letter signed by the Contractor authorized to submit the proposal and to make commitments on behalf of the company.
2. **Table of Contents.** A table of contents shall be provided that lists each section of the proposal.
3. **Organization History.** Give a brief description of the firm and its history.
4. **Qualifications.** A description of the firm's qualifications to perform the eCNA and Energy Audit. The CNA must be completed by a qualified, independent third-party professional as required by the Multifamily Accelerated Processing (MAP) Guide.
5. **Experience.** Provide a list of the organizations for which the Contractor has performed relevant work, going back at least 5 years. Particular emphasis should be on contracts with public housing agencies and performance of physical needs assessments and energy audits for properties of similar character to those of the subject PHA or where a RAD compliant CNA has been performed. Capital Needs Assessment (eCNA) – Draft Version Within ninety (90) days after the effective date of the Notice To Proceed (NTP) ASHRAE Level 2 Energy Audit – Draft Version Within ninety (90) days after the effective date of the NTP Capital Needs Assessment (eCNA) – Final Version Within twenty (20) days after receipt of comments on the “Draft Version” of the PNA ASHRAE Level 2 Energy Audit – Final Version Within twenty (20) days after receipt of comments on the “Draft Version” of the Energy Audit
6. **Staffing.** Provide a list of staff members who will work on this contract, including principals and staff level personnel, along with qualifications of each.
7. **Evaluation Criteria.** Provide information addressing each of the evaluation criteria.
8. **Pricing.** Provide pricing separately for the eCNA (including pricing separately for both traditional and green principles), and energy audit. Include the total cost for providing the services covered by this RFP. Show each staff member, hours proposed, and hourly rates. Also show material and other costs, including travel, general, administrative, overhead, and profit.
9. **References.** Provide a list of clients, including the organization name, contact person, telephone number, and address as well as brief descriptions of the scope of work. Information provided for at least four similar RAD compliant eCNAs completed within the last five years.
10. **Section 3 and WMBE.** The consultant must provide documentation regarding any claimed status as a Section 3 business or Women-Owned or Minority-Owned Business Enterprise.

11. **Insurance.** The selected consultant will be required to provide a certificate of insurance certifying that they have insurance coverage that will cover their employees while on the HACF property and will protect the HACF from liability for the actions of their employees. The insurance coverage should include Commercial General Liability with a combined single limit for bodily injury and property damage of not less than \$1,000,000 per occurrence (with an aggregate of no less than \$2,000,000) and Automobile Liability on owned and non-owned motor vehicles used on site for a combined single limit for bodily injury and property damage of not less than \$1,000,000. HACF should be included as an additional insured on both types of coverage.

Proposals that are incomplete with respect to the requirements listed above may be considered unresponsive and may be disqualified at HACF's discretion. The HACF reserves the right to request additional information from any and all firms, to waive any informality in the procurement process, and to decline to award a contract to any and all firms, regardless of the responsiveness of the firms' proposals. In order to be considered qualified to perform the services under the Scope of Work; contractors performing the RPCA must meet qualifications listed throughout **Appendix 1**.

Evaluation and Scoring Criteria

Criteria	Points
Experience	30
Qualifications	25
Features of Proposed CNA	20
Pricing	20
Section 3, WMBE	5
Total	100

THE AGENCY'S RESERVATION OF RIGHTS. The Agency reserves the right to:

1. **Right to Reject, Waive, or Terminate the RFP.** 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 Agency to be in its best interests.
2. **Right to Not Award.** Not to award a contract pursuant to this RFP.
3. **Right to Terminate.** Terminate a contract awarded pursuant to this RFP, at any time for its convenience upon 10 days written notice to the successful proposer(s).
4. **Right to Determine Time and Location.** Determine the days, hours, and locations that the successful proposer(s) shall provide the services called for in this RFP.
5. **Right to Retain Proposals.** Retain all proposals submitted and not permit withdrawal for a period of 60 days subsequent to the deadline for receiving proposals without the written consent of the Agency Contracting Officer (CO).
6. **Right to Negotiate.** Negotiate the fees proposed by the proposer entity.
7. **Right to Reject any Proposal.** 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.
8. **No Obligation to Compensate.** Have no obligation to compensate any proposer for any costs incurred in responding to this RFP.
9. **Right to Prohibit.** 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. By accessing the ha.economicengine.com eProcurement Marketplace (hereinafter, the "eProcurement Marketplace") and by downloading this document, each prospective proposer is thereby agreeing to abide by all terms and conditions listed within this document and within the eProcurement Marketplace, and further agrees that he/she will inform the CO in writing within 5 days of the discovery of any item listed herein or of any item that is issued thereafter by the Agency that he/she feels needs to be addressed. Failure to abide by this timeframe shall relieve the Agency, but not the prospective proposer, of any responsibility pertaining to such issue.
10. **1.10 Right to Reject – Obtaining Competitive Solicitation Documents.** The eProcurement Marketplace is the only official and appropriate venue to obtain the competitive solicitation documents (and any other information pertaining to the competitive solicitation such as addenda). Accordingly, by submitting a response to this competitive solicitation the respondent thereby affirms that he/she obtained all information on the eProcurement Marketplace. Any other group such as a bid depository that informs potential respondents of the availability of such competitive solicitations are hereby instructed to not distribute these documents to any such potential respondents, but to instruct the potential respondents to visit the eProcurement Marketplace to obtain the documents. The Agency will reject without consideration any response submitted from a firm that has not obtained the documents from the eProcurement Marketplace.

Attachments

- Appendix 1: List of properties covered by RFP
- Appendix 2: Rental Assistance Demonstration (RAD): Physical Condition Assessment Statement of Work and Contractor Qualifications
- Appendix 3: HUD 5369-B
- Appendix 4: HUD 5369-C
- Appendix 5: HUD 5370-C
- Appendix 6: Section 3 Business Certification
- Appendix 7: Non-Collusion Affidavit
- Appendix 8: Certificate Regarding Debarment

Appendix 1:

List of properties covered by RFP

IL029000002 Parkview Westview Homes consists of 49 residential buildings (196 units) and 3 non-residential buildings. Residential configurations include efficiencies, one, two-, three-, four- and five-bedroom units. All properties are landscaped with green space and paved asphalt parking lots. The developments at Westview, Gilmore and Willow are two story, townhome structures. Douglas Village consists of single level garden homes. The architectural treatments of all 4 residential sites include brick façade, vinyl exterior siding with pitched truss asphalt roofing. Three of the properties are located within .25 miles of each other and a fourth site is within 3 miles of the other three.

Westview Apartments

630 N. Waddell, 1425 & 1435 Westview Rd

Construction Date: 1953

Total Development Area: 82,187 SF

1 and 2 story buildings, 84 units:

1 Bedroom/ 1 Bath	28
2 Bedroom/1 Bath	18
3 Bedroom/1 Bath	32
4 Bedroom/1 Bath	0

Willow Apartments

502 North Willow Avenue

Construction Date: 1972

Total Development Area: 48,814 SF

2-story buildings, 40 units:

2 Bedrooms/1 Bath	12
3 Bedrooms/1 Bath	16
4 Bedrooms/1.5 Baths	10
5 Bedrooms/1.5 Baths	02

Gilmore Homes

600 North Gilmore Avenue

Construction Date: 1964

Total Development Area: 23,276 SF

2-story buildings, 32 units:

2 Bedrooms/1 Bath	06
3 Bedrooms/1 Bath	16
4 Bedrooms/1.5 Baths	08
5 Bedrooms/1.5 Baths	05

Douglas Village

628 North Hunt Avenue

Construction Date: 1964

Total Development Area: 23,615 SF

One-story buildings, 40 units:

Efficiency/1 Bath	12
1 Bedroom/1 Bath	26
2 Bedrooms/1 Bath	02

Rental Assistance Demonstration (RAD): Physical Condition Assessment Statement of Work and Contractor Qualifications

Introduction:

HUD has drafted the RAD Physical Condition Assessment (RPCA) with the specific intention that it not only meet the RAD Program requirements, but that it also be compliant with the requirements, as they may be modified from time to time, of HUD Multifamily Accelerated Processing (MAP) and the American Society of Heating, Refrigerating, and Air Conditioning Engineers, Inc. (ASHRAE) Procedures for Commercial Building Energy Audits, Second Edition 2011, Level II guidelines.

Overview:

The RPCA has three parts:

Part 1: PCA Report Comparing Traditional and Green Requirements – It is the traditional PCA that identifies repairs necessary in the first year following restructuring and the repairs and replacements during the next 20 years; it only offers “traditional” and “green” components that meet local building code; it estimates costs using both “traditional” and “green” principles; and it provides comments on the benefits (financial and otherwise) of the green alternative.

Part 2: Energy Audit – It evaluates how energy and water is used at the property. It documents prudent utility-related improvements (water and energy) to the property, the cost of the improvements, and a simple financial payback analysis (however, note that a more sophisticated analysis is available for systems with multiple components with varying estimated useful lives and where the full lifecycle cost analysis is useful). It includes an initial assessment of potentially viable alternatives for generating electricity, heating water, and heating and cooling the conditioned space at the building.

Part 3: Utility Consumption Baseline – It contains data on all utility usage at the property, both tenant-paid and owner-paid, and including all common areas for a full 12-month period. It establishes a baseline to allow for benchmarking, and for future measurement of consumption and costs. As such, the utility baseline creates a whole building consumption profile, addressing missing utility data, vacancies, and weather patterns, in achieving its aim of establishing that standard on which future consumption can be compared.

The RPCA contractor may complete any of the components for which it has the necessary qualifications; otherwise, the contractor may subcontract to others who have the necessary qualifications. The RPCA Contractor must integrate and evaluate the findings and recommendations and incorporate all three components into one report.

PART 1. PCA REPORT COMPARING TRADITIONAL AND GREEN REQUIREMENTS

1. Qualifications: The contractor must

- A. Have training and experience to evaluate building systems, health, and safety conditions, and physical and structural conditions, and to provide cost estimates for maintaining, rehabilitating, or improving deficiencies, using both traditional and Green principles. Must also have environmental expertise, as inspection will include environmental issues as well. Must have any required licenses.
- B. Have the designation of Leadership in Energy and Environmental Design Accredited Professional (LEED AP), in either the United States Green Building Council's LEED New Construction and Major Renovation or the LEED Existing Building Maintenance and Operations examination tracks, or an equivalent designation.
- C. Have completed 10-hours of education in the last calendar year in the areas of Green Building, Sustainability, Energy Efficiency, or Indoor Air Quality.
- D. Have knowledge of the requirements for the "green building" standard, if any, identified by the owner, which may include: Enterprise Green Communities, LEED-H, LEED-H Midrise, LEED-NC, ENERGY STAR New Homes, ENERGY STAR Multifamily High Rise, EarthCraft House, EarthCraft Multifamily, Earth Advantage New Homes, Greenpoint Rated New Home, Greenpoint Rated Existing Home (Whole House or Whole Building label), and the National Green Building Standard (NGBS) or other industry-recognized green building standard deemed acceptable by HUD in its sole discretion.
- E. Have acceptably completed written evaluation reports for similar types of multifamily rental housing projects in similar physical condition and age in the subject market or in similar areas, preferably including two (2) or more buildings that were receiving Section 8 or public housing assistance when the report was prepared.
- F. Have an acceptable record of performance with HUD. Not be under suspension or debarment by HUD, or involved as a defendant in criminal or civil action with HUD.
- G. Have produced reports that are well regarded in the marketplace in terms of content, timeliness and responsiveness. The contractor should have this personal experience, not just the company.
- H. Have the capacity to complete the project inspection and prepare the report in a time frame acceptable to the Lender/Owner¹.

¹ Throughout this Statement of Work and Contractor Qualifications document, "Lender/Owner" is used to describe the party ordering, reviewing, and accepting the RPCA (the client for the RPCA contractor). If the owner is pursuing financing as part of the RAD conversion, then a Lender is the client. If not, then the Owner is the client. All RPCAs are subject to HUD's review and acceptance.

2. Statement of Work: The contractor shall

A. Perform a Physical Condition Assessment (PCA) for each asset specified by the Lender/Owner and report the findings.

- (i) The report shall be prepared according to the Fannie Mae document: "Physical Needs Assessment Guidance to the Property Evaluator" (Exhibit 1), except as modified herein. This standard is meant to meet or exceed ASTM E 2018-08, Annex 1.1 concerning multifamily properties as well as Appendix XI.1 concerning qualifications, XI.2 concerning verification of measurements and quantities based on as-built drawings when available or field counts or measurements when necessary, XI.3 concerning service company research. Appendix XI.5 concerning the recommended table of contents is also recommended. Further, this report must be "MAP-compliant," fully meeting or exceeding the current requirements of HUD Multifamily Accelerated Processing.
- (ii) The report shall include color photographs and a detailed narrative describing the property's exterior and interior physical elements and condition, including architectural and structural components, and mechanical systems.
- (iii) The Contractor shall conduct and document site inspections of enough dwelling units to be able to formulate an accurate estimate of repair, replacement and major maintenance needs and all office, community space, and common areas. In no event shall the inspection be of less than 25% of occupied units, and 100% of all vacant units and common areas.
 - a. In some cases, depending on the size and condition of the Project, all or nearly all units will need to be inspected by the Contractor.
 - b. In other cases, a lesser number of units may need to be inspected by the Contractor. But in no event shall the number of units be less than specified in subparagraph (iii) above.
 - c. The Department expects that appropriate statistical sampling methods and techniques will be used by the Contractor to reach conclusions about repair needs. Units shall be randomly sampled while taking into consideration occupied and unoccupied units and the unit size mix, i.e. one bedrooms, two-bedrooms, etc. If a significant number of units are found to be in poor condition, the Lender/Owner may require that additional units be inspected. The Contractor may also determine that additional units and/or common areas require inspection to fully achieve the objective of considering green building principles, and if so, must coordinate the parameters of the inspection with the Lender/Owner.
- (iv) The inspection must document individual building write ups for all multi-building complexes,
- (v) For older structures the Contractor/ and lender should consider forensic investigations of primary building systems, including but not limited to structural, building envelope, conveyance, mechanical, electrical and plumbing systems, where visual or non-invasive examination alone may not be sufficient to support a conclusion about the condition or remaining useful life of system components.

While recognizing that age and condition of structures are not always related, a guideline for use of forensic methods is structures 30 or more years of age. It is the responsibility of the lender to assure that the Contractor employs investigative methods appropriate to the age, condition, physical composition of the property and the local environment.

When undertaken, a forensic examination should result in a written report, attached to the PCA, which report should include at a minimum the following:

- a. A statement of the examiner's particular experience, education, technical or trade certifications or other qualifications establishing the examiner's expertise relevant to the matter examined.
 - b. A description of the physical component(s) or system examined including the portions, quantities, and/or locations examined and the relevant products and materials found installed.
 - c. A description of the trade or industry recognized techniques, tests or analytical methods of examination used.
 - d. A summary of the estimated age, condition, and serviceability of the products, materials or system examined.
 - e. The examiner's recommendation of any repairs and/or replacements.
 - f. The examiner's estimate of the remaining useful life of the system or component assuming any recommended repairs or replacements are completed.
- (vi) Using the RPCA model² provided by the Lender/Owner, the Contractor will complete the Component Replacement Summary, Utility Types and Rates, Cap Needs Input, Utility Savings, cell D28 of the Water Savers, Utility Baseline – Summary, Utility Baseline – Monthly, and the Reserves 20 Year Schedule worksheets, considering the factors described below (note that completion of the RPCA model worksheets overlaps with the Energy Audit and Utility Consumption Baseline statements of work, Parts 2 and 3 herein). By completing the herein named worksheets in the RPCA model, the 20 Year Schedule and Detailed 20 Year Schedule worksheets will automatically be populated. The Contractor is to review that worksheet to ensure the data inputs on the other worksheets are generating the desired results. The Water Savers worksheet is an optional approach to estimating water savings, but **cell D28 must be completed** (and it links to the Utility Savings worksheet).

² The RPCA model is available at www.hud.gov/RAD

(vii) The report shall include:

- a. **Critical items:** Identify in detail, and report immediately to property management and the Lender/Owner, any repair item(s) that represents a critical repair.

Critical repairs include:

1. Remedies for exigent health and safety hazards or code violations;
2. Correction of conditions that adversely affect ingress or egress;
3. Correction of conditions preventing sustaining occupancy;
4. Correction of accessibility deficiencies.

It is the lender's responsibility to assure that accessibility requirements are accurately applied to projects by the Contractor with knowledge of Federal and, where applicable, state and local requirements. These requirements are:

- (1) The Fair Housing Act design and construction requirements apply to all multifamily housing built after March 13, 1991.
- (2) Section 504 of the Rehabilitation Act of 1973 applies to all Federally assisted programs, facilities and housing.
- (3) The Americans with Disabilities Act of 1990 (ADA) applies to public accommodations and commercial facilities and to any such portion of a multifamily property.
- (4) Summary Table of Applicable Federal Accessibility Requirements

ACTIVITY & YEAR BUILT	MARKET RATE APARTMENTS	AFFORDABLE (not assisted, e.g. LIHTC's)	FEDERALLY ASSISTED**
Projects built (1st occupancy*) after 3/13/1991	Fair Housing Act Requirements	Fair Housing Act Requirements	Fair Housing Act & 504/UFAS Requirements
Projects built from 7/11/1988 to 3/13/1991	None	None	504/UFAS Requirements
Sub Rehab of projects built after 7/11/1988	None	None	504/UFAS Requirements (load bearing wall exception)
Refinance of projects built prior to 7/11/1988***	None	None	504/UFAS Requirements (load bearing wall and financial/administrative burden exceptions)
All Public Accommodation	ADA	ADA	ADA & 504 UFAS

*1st occupancy means a building occupied for any purpose, not just for housing.

***"Federally assisted" projects include those financed or assisted by Project Based Vouchers, 202/811, HOME, HOPWA, Rent Supplements, 236, TCAP, BMIR, etc.

- (5) **State and Local Accessibility Laws.** The Fair Housing Act does not preempt state and local government measures affording persons with disabilities greater access than is required by the Fair Housing Act and some state and local governments do apply more stringent requirements. When state or local requirements exceed the Fair Housing Act design and construction requirements, the former prevail to the extent of such excess.
 - (6) **Adaptable Does Not Mean Deferrable.** A common misinterpretation of the Fair Housing Act design and construction requirements holds that the term “adaptable” contemplates a delay or deferral of the time when “features of adaptable design” required by the statute or regulations may be completed. This is inaccurate. The “features of adaptable design” described in the Fair Housing Act design and construction standards are required at original design and construction. Adaptable for purposes of Section 504 is defined at 24 CFR 8.3 and contemplates limited future physical changes to meet specific needs of particular persons with disabilities.
- b. **Repair/Rehab items (Short Term Physical Needs):** Identify and estimate the cost of the repairs, replacements, and significant deferred and other maintenance items that will need to be addressed within 12 months of closing (do not include items that are not broken but may need replacement in the near future). The items evaluated (both recommended and not recommended) are explained in the narrative report and the recommended items are documented in the Cap Needs Input worksheet of the RPCA model. That data input automatically generates the rehab escrow needs that appear in column B of the 20 Year Schedule worksheet of the RPCA model. Review column B of that worksheet to ensure the data input generated the correct result.
 - c. **Market Comparable Improvements:** After discussion with the Lender/Owner and the Lender’s appraiser, the inspector may include repairs or improvements that are necessary for marketability in the list of Repair/Rehab needs. The repairs/improvements identified should be those necessary for the project to retain its original market position as an affordable project in a decent, safe and sanitary condition (recognizing any evolution of standards appropriate for such a project). The project should be able to compete in the non-subsidized market on the basis of rents rather than amenities. Where a range of options exists, the least costly options for repair or rehabilitation should be chosen, when both capital and operating costs are taken into consideration.
 - d. **Long-term Physical Needs/ Reserve Items:** Identify and provide an estimate of the major maintenance and replacement items that are required to maintain the project’s physical integrity over the next twenty (20) years. (Note that the Fannie Mae Guidance to the Property Evaluator only requires an 18-year assessment maximum). The items evaluated (both recommended and not recommended) are explained in the narrative report and the recommended items are documented in the Cap Needs Input worksheet of the RPCA model. That data input automatically

generates the 20 Year Schedule worksheet of the RPCA model. Review that worksheet to ensure the data input generated the correct result.

- e. **Reserve Costs.** The Contractor shall estimate the Initial Deposit to the Reserve for Replacement Account and the Annual Deposit to the Reserve for Replacement Account based on the cost of "Near Term" replacement and major maintenance needs of the Project.

- f. **Environmental Concerns:**

- (1) This applies to all existing properties constructed prior to 1978 which have not been demonstrated to be LBP- and/or asbestos-free. For projects that contain LBP and/or asbestos, the Contractor is responsible for engaging the services of a qualified LBP and/or asbestos abatement contractor(s) to prepare a scope of work for the abatement of LBP and/or asbestos. Where the scope of abatement work consists of permanent enclosure or encapsulation, but not removal, of LBP and/or asbestos, the qualified abatement contractor(s) must also prepare, separate from the scope of abatement work, an Operations and Maintenance (O&M) Plan for LBP and/or asbestos. The O&M Plan contains ongoing maintenance activities for LBP and/or asbestos, to be followed for as long as the LBP and/or asbestos remains in place. All abatement work and ongoing maintenance activities for LBP and/or asbestos shall conform to the following Regulatory requirements:

- a. For LBP, 24 CFR Part 35;

- b. For asbestos, 40 CFR Part 61.

- (2) The report shall provide a description of directly observed potential on-site environmental hazards and include a completed Environmental Restrictions Checklist (see Exhibit 2).

- (3) The report must meet HUD's requirements, as they may be modified from time to time, for the detection and remediation of radon. These requirements were initially described in HUD Mortgagee Letter 2013-07, issued January 31, 2013.

- g. **Green Building Principles:** An objective of the report is to identify all opportunities to improve energy efficiency, maximize water efficiency, use re-used and recycled materials where practical, safeguard the indoor air quality of the property, be of less harm to the environment generally, and remove/ re-use replaced materials and construction debris appropriately. The Contractor is required to evaluate all components in the building, all building systems, and all components on the property, and the property itself, to identify all opportunities to achieve the stated objective. **The Contractor is expected to consider the most promising types of improvements being used generally in applicable green buildings, to identify all alternatives considered, to provide a justification for the green alternative recommended and a brief explanation of why the non-selected alternatives are less appropriate for the subject property.** Each line item must identify the:

- (1) costs of the traditional repair/replacement to meet local building code, as applicable, and the alternative using green building principles;
 - (2) cost estimate for both the traditional and green approaches; and
 - (3) expected benefits of the green alternative, both financial and non-financial.
- (viii) The report shall identify any physical deficiencies as a result of:
- a. a visual survey;
 - b. a review of any pertinent documentation; and
 - c. interviews with the property owner, management staff, tenants, interested local community groups and government officials, where appropriate.
- (ix) The report shall include the Contractor's professional opinion as to whether tenant relocation is necessary to complete the recommended scope of work for rehabilitation.
- B. The RPCA must also include the following subcomponents:
- (i) Acknowledgements (who prepared report, the preparer's qualifications or a certification that the preparer meets the qualifications required in Part 1.1, when report was prepared, who received report, and when report was reviewed).
 - (ii) Appendices (color photographs, site plans, maps, etc.).
- C. In addition, the contractor shall:
- (i) Recommend any additional professional reports needed, for example, to determine the presence or degree of structural defects, or to complete additional investigation into an environmental issue, such as radon testing that was not envisioned at the time of engagement. The Lender/Owner will be responsible for obtaining such reports.
 - (ii) If requested by the Lender/HUD, the RPCA Contractor will review the requirements of a particular "green building standard"³ and include in the RPCA its professional opinion on whether the rehabilitation recommended in the RPCA will meet the requirements of the particular "green building standard".
 - (iii) If the services of a subcontractor were secured to inspect the property and complete the report, the contractor shall review the inspection for quality, consistency, and agreed upon format and conformance with these requirements.
 - (iv) If requested by the Lender/Owner, attend a formal kick-off meeting to clarify the requirements and scope of the work to be performed.

³ Must be an industry-recognized standard for green building, such as the Enterprise Green Communities Criteria, LEED-H, LEED-H Midrise, LEED-NC, ENERGY STAR New Homes, ENERGY STAR Multifamily High Rise, EarthCraft House, EarthCraft Multifamily, Earth Advantage New Homes, Greenpoint Rated New Home, Greenpoint Rated Existing Home (Whole House or Whole Building label), and the National Green Building Standard (NGBS) or other industry-recognized green building standard in HUD's sole discretion.

3. Deliverables

- A. A draft narrative report and RPCA model (with completion of these worksheets: Component Replacement Summary, Utility Types and Rates, Cap Needs Input, 20 Year Schedule, Detailed 20 Year Schedule, Rehab Escrow Needs, Utility Savings, **at least cell D28** of Water Savings, Utility Data Collection, and the Reserves 20 Year Schedule) shall be submitted electronically, as instructed by the Lender/Owner, for review prior to completion of the final report.
- B. The Lender/Owner will review the draft deliverables and discuss any necessary corrections with the Contractor that are necessary for the drafts to be finalized.
- C. The final narrative report shall be completed in the number of originals and copies requested by the Lender/Owner. It will also be submitted electronically along with the RPCA model, as instructed by the Lender/Owner.

NOTE: The final deliverable from the RPCA contractor shall consist of two files:
1- PDF file, including the narratives from all three parts of this statement of work (PCA, Energy Audit and Utility Consumption Baseline.)
2- EXCEL file of the completed RPCA model.

PART 2. ENERGY AUDIT

1. Qualifications: The contractor shall

- A. Be certified to complete building energy audits by RESNET or BPI (or their training providers), or be a Certified Energy Manager (CEM), or be a State equivalent certified energy auditor, or be a professional architect, or be a registered professional engineer, or be a RESNET certified Home Energy Rater or BPI Certified Building Analyst.
- B. Not be under suspension or debarment by HUD, or involved as a defendant in criminal or civil action with HUD.
- C. Produce reports that are well regarded in the marketplace in terms of content, timeliness and responsiveness. The contractor should have this personal experience, not just the company.
- D. Have the capacity to complete the project inspection and prepare the report in a time frame acceptable to the Lender/Owner.

2. Statement of Work

These requirements are intended to fully satisfy and exceed the requirements in the American Society of Heating, Refrigerating, and Air Conditioning Engineers, Inc. (ASHRAE) Procedures for Commercial Building Energy Audits, Second Edition 2011, Level II guidelines.

- A. An energy audit identifies how energy and water is used in a facility.
 - (i) Data is collected on energy and water use and costs and a physical inspection of the property and energy-related equipment is performed.
 - (ii) The physical inspection reviews equipment and space conditions, past maintenance schedules, remaining useful life, and system performance, along with building envelope characteristics and conditions.
 - (iii) Physical inspection may also consider indicators of performance issues such as leaking or soiled heat exchangers, high humidity, poor space temperature control, and comfort concerns. Some of these characteristics may be indicators of improperly sized heating or cooling equipment.
- B. An energy audit analyzes utility costs of the existing property, including separate rates, if any, for owner and tenant accounts, such as for electricity. Utility data is trended and benchmarked against similar properties with like heating and cooling requirements, and used to provide estimates of energy and water savings that may be gained by implementing cost effective conservation measures.
- C. An energy audit provides a prioritized list of recommended cost-effective energy and water efficiency improvements to reduce utility costs.
 - (i) Cost-effective energy and water efficiency improvements are energy or water conserving measures whose estimated utility savings exceed the installed cost of the improvement over the measure's useful life.
 - (ii) Recommendations are based on engineering and economic analysis and consider factors such as operating hours, equipment efficiency, and building and occupant energy and water demand characteristics.
 - (iii) Costs are generally developed through industry norms or available historical project information.
- D. Insulation in attics, walls, basements, floors, and ducts for heating and cooling circulation, should, at a minimum, be upgraded to current local building code for new construction, unless prevented by physical obstructions. Additional insulation beyond code should be recommended if cost-justified.
- E. In addition, the energy audit includes a recommendation on whether additional caulking and sealing is a cost-justified expenditure.
- F. An energy audit report includes the following:

- (i) Current energy, water and sewerage usage and costs (kilowatt-hour, therms, ccf, utility cost) input in the RPCA model. NOTE: This requirement includes all utility usage at the property, both tenant-paid and owner-paid, and all common areas.
- (ii) Evidence that the Contractor used the Air Conditioning Contractors of America (ACCA) Manual J guide or another recognized methodology to size the recommended heating and cooling systems. The sizing shall consider other energy-related improvements being made to the property, including additional insulation, energy-efficient windows, etc. The Lender/Owner may request the Contractor prepare several calculations based on possible improvements or may contact the Contractor subsequent to the completion of the initial calculation and ask for a revision based on a specific set of improvements.

Exception: There are two exceptions to the requirement to complete a load calculation to appropriately size the heating and cooling systems:

- a. When the existing units are already the smallest available and there are no known property management or tenant complaints indicating that the existing systems may be inadequate. To justify this exception, the Contractor must inquire of the site property management and of any tenants encountered during the inspection of units, and not receive comments that would cause the Contractor to question the adequacy of the existing systems.
 - b. When the existing units use electric baseboard heat and conversion to another heat system has been determined to be infeasible. To justify this exception, the Contractor must consider any comments about unit heating received from inquiring of the site property management and of any tenants encountered during the inspection of units and state why conversion to another source is infeasible.
- (iii) Evidence that the contractor analyzed the existing size of hot water heaters and analyzed the appropriate efficient replacement size using First Hour Rating (primarily for individual tenant hot water heaters) or other professionally recognized sizing tools with a goal of providing sufficient but not excess capacity.
 - (iv) Evidence that the contractor inspected the ductwork for leakage and recommended and priced appropriate repairs. HUD's objective is to identify energy-saving opportunities and is relying on the contractor's professional judgment as to the extent of inspection, testing, cleaning and repair that is warranted for the specific property. If the ducts are accessible, the contractor is to conduct a visual inspection and make recommendations for repair of any loose/ broken connections or other leaks. If the ducts are not accessible, the contractor is to provide an opinion on the likely cost-benefit analysis of repairing the ducts and the approach recommended to do so (including use of an aerosol-based product).
 - (v) Completed "Utility Types and Rates" worksheet in the RPCA model provided by the Lender/Owner.
 - (vi) Completed "Utility Savings" worksheet in the RPCA model provided by the Lender/Owner.

- (vii) Completed “Water Savers” worksheet with **at least cell D28** being populated (otherwise this worksheet is an optional approach to estimating water savings);
- (viii) Prioritized list of recommended energy efficiency improvements. At a minimum, in evaluating recommended improvements, the contractor evaluates and comments on:
 - a. Wall, ceiling and basement (if applicable) insulation – describe existing, cite the local code for new construction
 - b. Exterior doors – weather stripping, caulking, insulation characteristics, possible needed replacement and standards
 - c. Storm doors (where they currently exist) – weather stripping, caulking, insulation characteristics, possible needed replacement and standards
 - d. Dishwashers (where they currently exist) – efficiency standard, age, replacement options
 - e. Windows/sliding glass doors – considering age, weather stripping, caulking, air conditioning sleeves
 - f. HVAC – age, size and rated efficiency of units, age and type of thermostat
 - g. DHW – age, size and rated efficiency of units, insulation, temperature setting and set-backs, appropriate efficiency and size for replacement units
 - h. Refrigerators – age, size, rated efficiency of units, potential replacements
 - i. Water – flow rate of shower and faucets, hot water temp at tap, hot water pipe insulation, toilet tank size
 - j. Ventilation – kitchen and bath ventilation (recirculating or outside), appropriate size for replacement units
 - k. Apartment lighting – existing lighting methods, over-lighted conditions, conversion to CFL bulbs or fixtures
 - l. Lobby, common area, corridor – exterior doors (see above), existing lighting methods, lighting (sufficiency/excess, conversion to CFL bulbs and/or fixtures, T-8 (or smaller) electronic ballast fluorescent, LED exit light and automatic control potential)
 - m. Exterior lighting (including parking area) – existing number, type, sufficiency/excess illumination levels and efficiency of lighting type, conversion potential to more efficient lighting type, automatic controls
 - n. Central Plant Boilers/Hot water - efficiency, age, potential for combined heat and power (CHP), set backs
 - o. Laundry Area – identify if leased or owned, number and type of appliances, size, age, efficiency rating
 - p. Other commercial or office space – same evaluation
 - q. Possibility of cost effective change in fuel/ heating system type

- r. Evaluation of rate options, if any, with the utility companies for different site uses, e.g., residential/ commercial rates, peak load management rates.
- (ix) An initial assessment of the potential feasibility of installing alternative technologies for electricity, heating and cooling systems, and hot water heating (collectively called Green Energy Technologies) at the property. The auditor is to comment specifically on each of the following:
 - a. Photovoltaic for electricity
 - b. Solar thermal for hot water heating
 - c. Wind turbine
 - d. Combined heat and power
 - e. Geothermal heat pumps, and
 - f. Fuel cells.

As an initial assessment of potential feasibility, the auditor's comments are to conclude and justify, for each of the six technologies, whether further study is recommended. Specifically, the auditor is to state that the property: is a potentially viable candidate and a feasibility study is recommended or is not a viable candidate and further study is not recommended.

NOTE: HUD expects a few sentences of discussion for each of the six technologies. For example, "Combined heat and power: The property has less than 80 units (a rule of thumb for minimum number of units for feasibility) and does not have a central power source. Further study is not recommended." Another example, "Geothermal heat pumps: The property has sufficient acreage to drill wells and uses enough energy for heating and cooling that this technology may be feasible. Further study is recommended."

- (x) Installed cost estimates for recommended energy and water efficiency measures.
- (xi) Expected useful life of recommended energy and water conservation measures.
- (xii) Annual energy and water saving estimates (consumption and cost reductions). In considering cumulative savings, the auditor should consider how measures may interact and be realistic about the overall portion of existing utility use that might be conserved.⁴ The utility savings estimates will be contained in the Utility Savings worksheet of the RPCA model (note that the auditor may use the optional "Water Savers" worksheet of the model but **must complete** cell D28 of that worksheet for the total estimate of water savings).
- (xiii) Simple payback period in years for each evaluated measure, whether recommended or not. If more than one measure was evaluated, include a brief discussion of all measures evaluated and a justification for the one recommended in the narrative report. Include the recommended measure in the Cap Needs Input worksheet of the RPCA model.

⁴ The installation of individual components, taken individually, may support a certain level of utility savings that will not be realized when all the recommended components are installed as a package. In addition, some components (e.g., the first-time installation of air conditioning) will serve to increase utility usage.

- G. The RPCA should also include acknowledgments (who prepared report, the preparer's qualifications or a certification that the preparer meets the qualifications required in Part 2.1, when report was prepared, who received report and when report was reviewed).
- H. In addition to the above, the auditor shall:
- (i) Recommend any additional professional reports needed (including, for example alternate energy system feasibility studies, air infiltration tests for energy loss and ventilation needs, blower door tests, infrared imaging, duct blasting, etc.). The Lender/Owner will be responsible for obtaining such reports.
 - (ii) If the services of a subcontractor were secured to perform the RPCA, the Contractor shall review the inspection for quality, consistency and agreed upon format and conformance with the report requirements.
 - (iii) If requested by the Lender/Owner, attend a formal kick-off meeting to clarify the requirements and scope of the work to be performed.

3. Deliverables

The report and completed worksheets of the RPCA model are made a part of the overall RPCA deliverables submitted by the RPCA contractor. See Part 1, paragraph 3 for instructions on delivering the draft and final narrative reports and RPCA model to the Lender/Owner.

PART 3. UTILITY CONSUMPTION BASELINE

1. Introduction

- A. Overview: The goal of this statement of work is to establish a twelve month consumption baseline for normalized heating, cooling, lighting, and other electric, gas and water usage (not cost) by property.
- B. Consumption Period for Demonstration Due Diligence: The contractor, in consultation with the owner, will establish a twelve-month consumption period, generally ending just prior to the application to the RAD program and maximizing availability of actual data. The twelve month period covered should be recent and similar for each utility and should conclude prior to any rehabilitation beginning at the property.
- C. Consumption Data Collection: The result will be to understand and document what types of utilities are used, from what sources, how they are used and in what amounts they are used. Information on how utilities are used will come from the owner and RAD Physical Condition Assessment (RPCA) through the Energy Audit. In order to obtain the data, the contractor will receive releases from the owner, including releases the owner has

obtained from tenants for tenant accounts so that the contractor can obtain consumption data directly from each utility provider. The owner may also provide actual billing data.

- (i) For each property paid utility, the releases will be executed by the owner and obtained from the owner by the Contractor.
- (ii) For tenant paid utilities, the releases will be executed by tenants, obtained from the tenants by the owner, and obtained from the owner by the Contractor. Releases will be requested from tenants who have been in residence 12 months or more and new entrants. For non-metered fuel sources, such as propane or heating oil, the Contractor will obtain releases from the owner to obtain 14 months of billing history from the supplier(s), or if suppliers are not willing/ capable of providing histories, the Contractor will obtain copies of bills from the owner.

D. Data Ownership: All energy usage data and analysis is the property of HUD.

2. Qualifications: The contractor shall

- A. Have experience in collecting utility consumption data and in using industry-recognized methods for estimating missing data and normalizing it for weather occurrences and property vacancies.
- B. Not be under suspension or debarment by HUD, or involved as a defendant in criminal or civil action with HUD.
- C. Produce baselines that are well regarded in the marketplace in terms of content, timeliness and responsiveness.
- D. Have the capacity to complete the project inspection and prepare the report in a time frame acceptable to the Lender/ Owner.

3. Statement of Work: A contractor shall construct a Consumption Narrative Report containing at a minimum:

- A. Project identifiers -PIC Number , property name, property location, name of contractor, ownership name and contact information, management agent contact information, if any, etc.
- B. For all utilities associated with the property:
 - (i) Identify vendors/sources.
 - (ii) Identify use for residential: heat, hot water, lighting, a/c.
 - (iii) Identify use (generally on separate meters) for non-residential: common/exterior lighting, laundry, office, maintenance shop, commercial (some projects have commercial leases).
 - (iv) Identify how the utility is used, for example, central steam boiler, forced air furnaces, heat pumps, window type air conditioners, central air, electric baseboard heat, common area lighting (incandescent or fluorescent, other) exterior lighting (type of lighting device).

- (v) Identify party responsible for payment, owner or tenant.
- (vi) Note any non-metered fuel source usage such as heating oil or propane.
- (vii) Note any observed anomalies regarding rate structure, metering, on-site generating via solar panels, wind turbines, etc.; and
- (viii) To the extent possible and applicable, estimate the commercial and non-residential portion of the use versus the residential use.

C. The Narrative is submitted as a PDF file.

D. Completed Utility Baseline – Summary and Utility Baseline – Monthly worksheets in the RPCA model, including:

- (i) General property information, utility provider information, and a property profile that includes the number of buildings, square footage, vacancy, and number of units.
- (ii) An overall summary of annual utility consumption across the entire property by utility type.
- (iii) An overall summary of annual utility consumption for each utility type and each meter at the property.
- (iv) Monthly utility consumption for each meter at the property.
- (v) For non-metered fuel sources such as heating oil or propane, attach detail for 14 months of consumption, and document how the estimate of twelve month consumption was reached.
- (vi) Adjust the actual consumption (usage) to produce weather-normalized summary consumption (usage). Use appropriate localized weather pattern data. Document the weather-normalization calculation in the Narrative. Note that HUD requires both raw and weather-normalized data.
- (vii) Adjust usage, based on available data, to a pro-forma 100 % occupancy by estimating additional use for unoccupied units. (This is in addition to, and complements, estimation for data gaps on occupied units.) This may affect some utilities, like water or electric, more than others, for example if heat is centrally provided.
- (viii) Establish an optional pro-forma adjustment factor to the consumption for cases where the RAD transaction involves changes in services provided at the property, for example the addition of air conditioning. If requested, supply estimate of utility consumption for the added service.
- (ix) Supply the completed RAD Utility Consumption workbook in Microsoft Excel, in the format required by HUD.

NOTE: The RPCA model also includes instructions for completion of the two utility consumption worksheets in a third worksheet titled, Utility Baseline – Instructions.

4. Deliverables

The narrative report and completed Utility Consumption – Summary and Utility Consumption – Monthly worksheets in the RPCA model are made a part of the overall RPCA deliverables submitted by the RPCA contractor. See Part 1, paragraph 3 for instructions on delivering the draft and final narrative report and the EXCEL workbook to the Lender/Owner.

Exhibits (available on the RAD website at www.hud.gov/RAD):

- 1 Fannie Mae Physical Needs Assessment Guidance
- 2 Form 4.4 Environmental Restrictions Checklist
- 3 Accessibility Law Compliance

Instructions to Offerors Non-Construction

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

Appendix 3: HUD 5369-B

1. Preparation of Offers

(a) Offerors are expected to examine the statement of work, the proposed contract terms and conditions, and all instructions. Failure to do so will be at the offeror's risk.

(b) Each offeror shall furnish the information required by the solicitation. The offeror shall sign the offer and print or type its name on the cover sheet and each continuation sheet on which it makes an entry. Erasures or other changes must be initialed by the person signing the offer. Offers signed by an agent shall be accompanied by evidence of that agent's authority, unless that evidence has been previously furnished to the HA.

(c) Offers for services other than those specified will not be considered.

2. Submission of Offers

(a) Offers and modifications thereof shall be submitted in sealed envelopes or packages (1) addressed to the office specified in the solicitation, and (2) showing the time specified for receipt, the solicitation number, and the name and address of the offeror.

(b) Telegraphic offers will not be considered unless authorized by the solicitation; however, offers may be modified by written or telegraphic notice.

(c) Facsimile offers, modifications or withdrawals will not be considered unless authorized by the solicitation.

3. Amendments to Solicitations

(a) If this solicitation is amended, then all terms and conditions which are not modified remain unchanged.

(b) Offerors shall acknowledge receipt of any amendments to this solicitation by

- (1) signing and returning the amendment;
- (2) identifying the amendment number and date in the space provided for this purpose on the form for submitting an offer,
- (3) letter or telegram, or
- (4) facsimile, if facsimile offers are authorized in the solicitation. The HA/HUD must receive the acknowledgment by the time specified for receipt of offers.

4. Explanation to Prospective Offerors

Any prospective offeror desiring an explanation or interpretation of the solicitation, statement of work, etc., must request it in writing soon enough to allow a reply to reach all prospective offerors before the submission of their offers. Oral explanations or instructions given before the award of the contract will not be binding. Any information given to a prospective offeror concerning a solicitation will be furnished promptly to all other prospective offerors as an amendment of the solicitation, if that information is necessary in submitting offers or if the lack of it would be prejudicial to any other prospective offerors.

5. Responsibility of Prospective Contractor

(a) The HA shall award a contract only to a responsible prospective contractor who is able to perform successfully under the terms and conditions of the proposed contract. To be determined responsible, a prospective contractor must -

- (1) Have adequate financial resources to perform the contract, or the ability to obtain them;

- (2) Have a satisfactory performance record;
- (3) Have a satisfactory record of integrity and business ethics;
- (4) Have a satisfactory record of compliance with public policy (e.g., Equal Employment Opportunity); and
- (5) Not have been suspended, debarred, or otherwise determined to be ineligible for award of contracts by the Department of Housing and Urban Development or any other agency of the U.S. Government. Current lists of ineligible contractors are available for inspection at the HA/HUD.

(b) Before an offer is considered for award, the offeror may be requested by the HA to submit a statement or other documentation regarding any of the foregoing requirements. Failure by the offeror to provide such additional information may render the offeror ineligible for award.

6. Late Submissions, Modifications, and Withdrawal of Offers

(a) Any offer received at the place designated in the solicitation after the exact time specified for receipt will not be considered unless it is received before award is made and it -

- (1) Was sent by registered or certified mail not later than the fifth calendar day before the date specified for receipt of offers (e.g., an offer submitted in response to a solicitation requiring receipt of offers by the 20th of the month must have been mailed by the 15th);
- (2) Was sent by mail, or if authorized by the solicitation, was sent by telegram or via facsimile, and it is determined by the HA/ HUD that the late receipt was due solely to mishandling by the HA/HUD after receipt at the HA;
- (3) Was sent by U.S. Postal Service Express Mail Next Day Service - Post Office to Addressee, not later than 5:00 p.m. at the place of mailing two working days prior to the date specified for receipt of proposals. The term "working days" excludes weekends and U.S. Federal holidays; or
- (4) Is the only offer received.

(b) Any modification of an offer, except a modification resulting from the HA's request for "best and final" offer (if this solicitation is a request for proposals), is subject to the same conditions as in subparagraphs (a)(1), (2), and (3) of this provision.

(c) A modification resulting from the HA's request for "best and final" offer received after the time and date specified in the request will not be considered unless received before award and the late receipt is due solely to mishandling by the HA after receipt at the HA.

(d) The only acceptable evidence to establish the date of mailing of a late offer, modification, or withdrawal sent either by registered or certified mail is the U.S. or Canadian Postal Service postmark both on the envelope or wrapper and on the original receipt from the U.S. or Canadian Postal Service. Both postmarks must show a legible date or the offer, modification, or withdrawal shall be processed as if mailed late. "Postmark" means a printed, stamped, or otherwise placed impression (exclusive of a postage meter machine impression) that is readily identifiable without further action as having been supplied and affixed by employees of the U.S. or Canadian Postal Service on the date of mailing. Therefore, offerors should request the postal clerk to place a hand cancellation bull's-eye postmark on both the receipt and the envelope or wrapper.

(e) The only acceptable evidence to establish the time of receipt at the HA is the time/date stamp of HA on the offer wrapper or other documentary evidence of receipt maintained by the HA.

(f) The only acceptable evidence to establish the date of mailing of a late offer, modification, or withdrawal sent by Express Mail Next Day Service-Post Office to Addressee is the date entered by the post office receiving clerk on the "Express Mail Next Day Service-Post Office to Addressee" label and the postmark on both the envelope or wrapper and on the original receipt from the U.S. Postal Service. "Postmark" has the same meaning as defined in paragraph (c) of this provision, excluding postmarks of the Canadian Postal Service. Therefore, offerors should request the postal clerk to place a legible hand cancellation bull's eye postmark on both the receipt and the envelope or wrapper.

(g) Notwithstanding paragraph (a) of this provision, a late modification of an otherwise successful offer that makes its terms more favorable to the HA will be considered at any time it is received and may be accepted.

(h) If this solicitation is a request for proposals, proposals may be withdrawn by written notice, or if authorized by this solicitation, by telegram (including mailgram) or facsimile machine transmission received at any time before award. Proposals may be withdrawn in person by a offeror or its authorized representative if the identity of the person requesting withdrawal is established and the person signs a receipt for the offer before award. If this solicitation is an Invitation for bids, bids may be withdrawn at any time prior to bid opening.

7. Contract Award

(a) The HA will award a contract resulting from this solicitation to the responsible offeror whose offer conforming to the solicitation will be most advantageous to the HA, cost or price and other factors, specified elsewhere in this solicitation, considered.

(b) The HA may

- (1) reject any or all offers if such action is in the HA's interest,
- (2) accept other than the lowest offer,
- (3) waive informalities and minor irregularities in offers received, and (4) award more than one contract for all or part of the requirements stated.

(c) If this solicitation is a request for proposals, the HA may award a contract on the basis of initial offers received, without discussions. Therefore, each initial offer should contain the offeror's best terms from a cost or price and technical standpoint.

(d) A written award or acceptance of offer mailed or otherwise furnished to the successful offeror within the time for acceptance specified in the offer shall result in a binding contract without further action by either party. If this solicitation is a request for proposals, before the offer's specified expiration time, the HA may accept an offer, whether or not there are negotiations after its receipt, unless a written notice of withdrawal is received before award. Negotiations conducted after receipt of an offer do not constitute a rejection or counter offer by the HA.

(e) Neither financial data submitted with an offer, nor representations concerning facilities or financing, will form a part of the resulting contract.

8. Service of Protest

Any protest against the award of a contract pursuant to this solicitation shall be served on the HA by obtaining written and dated acknowledgment of receipt from the HA at the address shown on the cover of this solicitation. The determination of the HA with regard to such protest or to proceed to award notwithstanding such protest shall be final unless appealed by the protestor.

9. Offer Submission

Offers shall be submitted as follows and shall be enclosed in a sealed envelope and addressed to the office specified in the solicitation. The proposal shall show **the hour and date specified in the solicitation for receipt, the solicitation number, and the name and address of the offeror, on the face of the envelope.**

It is very important that the offer be properly identified on the face of the envelope as set forth above in order to insure that the date and time of receipt is stamped on the face of the offer envelope. Receiving procedures are: date and time stamp those envelopes identified as proposals and deliver them immediately to the appropriate contracting official, and only date stamp those envelopes which do not contain identification of the contents and deliver them to the appropriate procuring activity only through the routine mail delivery procedure.

[Describe bid or proposal preparation instructions here:]

Please note that additional conditions, specifications and instructions pertaining to this RFP are contained within the RFP document issued.

Certifications and Representations of Offerors Non-Construction Contract

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

Appendix 4:
HUD 5369-C

Public reporting burden for this collection of information is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

This form includes clauses required by OMB's common rule on bidding/offering procedures, implemented by HUD in 24 CFR 85.36, and those requirements set forth in Executive Order 11625 for small, minority, women-owned businesses, and certifications for independent price determination, and conflict of interest. The form is required for nonconstruction contracts awarded by Housing Agencies (HAs). The form is used by bidders/offerors to certify to the HA's Contracting Officer for contract compliance. If the form were not used, HAs would be unable to enforce their contracts. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality.

1. Contingent Fee Representation and Agreement

(a) The bidder/offeror represents and certifies as part of its bid/offer that, except for full-time bona fide employees working solely for the bidder/offeror, the bidder/offeror:

- (1) ☐ has, ☐ has not employed or retained any person or company to solicit or obtain this contract; and
- (2) ☐ has, ☐ has not paid or agreed to pay to any person or company employed or retained to solicit or obtain this contract any commission, percentage, brokerage, or other fee contingent upon or resulting from the award of this contract.

(b) If the answer to either (a)(1) or (a) (2) above is affirmative, the bidder/offeror shall make an immediate and full written disclosure to the PHA Contracting Officer.

(c) Any misrepresentation by the bidder/offeror shall give the PHA the right to (1) terminate the resultant contract; (2) at its discretion, to deduct from contract payments the amount of any commission, percentage, brokerage, or other contingent fee; or (3) take other remedy pursuant to the contract.

2. Small, Minority, Women-Owned Business Concern Representation

The bidder/offeror represents and certifies as part of its bid/offer that it:

- (a) ☐ is, ☐ is not a small business concern. "Small business concern," as used in this provision, means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding, and qualified as a small business under the criteria and size standards in 13 CFR 121.
- (b) ☐ is, ☐ is not a women-owned small business concern. "Women-owned," as used in this provision, means a small business that is at least 51 percent owned by a woman or women who are U.S. citizens and who also control and operate the business.
- (c) ☐ is, ☐ is not a minority enterprise which, pursuant to Executive Order 11625, is defined as a business which is at least 51 percent owned by one or more minority group members or, in the case of a publicly owned business, at least 51 percent of its voting stock is owned by one or more minority group members, and whose management and daily operations are controlled by one or more such individuals.

For the purpose of this definition, minority group members are:

(Check the block applicable to you)

- | | |
|---|---|
| <input type="checkbox"/> Black Americans | <input type="checkbox"/> Asian Pacific Americans |
| <input type="checkbox"/> Hispanic Americans | <input type="checkbox"/> Asian Indian Americans |
| <input type="checkbox"/> Native Americans | <input type="checkbox"/> Hasidic Jewish Americans |

3. Certificate of Independent Price Determination

(a) The bidder/offeror certifies that—

- (1) The prices in this bid/offer have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other bidder/offeror or competitor relating to (i) those prices, (ii) the intention to submit a bid/offer, or (iii) the methods or factors used to calculate the prices offered;
- (2) The prices in this bid/offer have not been and will not be knowingly disclosed by the bidder/offeror, directly or indirectly, to any other bidder/offeror or competitor before bid opening (in the case of a sealed bid solicitation) or contract award (in the case of a negotiated solicitation) unless otherwise required by law; and
- (3) No attempt has been made or will be made by the bidder/offeror to induce any other concern to submit or not to submit a bid/offer for the purpose of restricting competition.

(b) Each signature on the bid/offer is considered to be a certification by the signatory that the signatory:

- (1) Is the person in the bidder/offeror's organization responsible for determining the prices being offered in this bid or proposal, and that the signatory has not participated and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above; or
- (2) (i) Has been authorized, in writing, to act as agent for the following principals in certifying that those principals have not participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above (insert full name of person(s) in the bidder/offeror's organization responsible for determining the prices offered in this bid or proposal, and the title of his or her position in the bidder/offeror's organization);
(ii) As an authorized agent, does certify that the principals named in subdivision (b)(2)(i) above have not participated, and will not participate, in any action contrary to subparagraphs (a)(1) through (a)(3) above; and

(iii) As an agent, has not personally participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above.

(c) If the bidder/offeror deletes or modifies subparagraph (a)2 above, the bidder/offeror must furnish with its bid/offer a signed statement setting forth in detail the circumstances of the disclosure.

4. Organizational Conflicts of Interest Certification

(a) The Contractor warrants that to the best of its knowledge and belief and except as otherwise disclosed, it does not have any organizational conflict of interest which is defined as a situation in which the nature of work under a proposed contract and a prospective contractor's organizational, financial, contractual or other interest are such that:

(i) Award of the contract may result in an unfair competitive advantage;

(ii) The Contractor's objectivity in performing the contract work may be impaired; or

(iii) That the Contractor has disclosed all relevant information and requested the HA to make a determination with respect to this Contract.

(b) The Contractor agrees that if after award he or she discovers an organizational conflict of interest with respect to this contract, he or she shall make an immediate and full disclosure in writing to the HA which shall include a description of the action which the Contractor has taken or intends to eliminate or neutralize the conflict. The HA may, however, terminate the Contract for the convenience of HA if it would be in the best interest of HA.

(c) In the event the Contractor was aware of an organizational conflict of interest before the award of this Contract and intentionally did not disclose the conflict to the HA, the HA may terminate the Contract for default.

(d) The Contractor shall require a disclosure or representation from subcontractors and consultants who may be in a position to influence the advice or assistance rendered to the HA and shall include any necessary provisions to eliminate or neutralize conflicts of interest in consultant agreements or subcontracts involving performance or work under this Contract.

5. Authorized Negotiators (RFPs only)

The offeror represents that the following persons are authorized to negotiate on its behalf with the PHA in connection with this request for proposals: (list names, titles, and telephone numbers of the authorized negotiators):

6. Conflict of Interest

In the absence of any actual or apparent conflict, the offeror, by submission of a proposal, hereby warrants that to the best of its knowledge and belief, no actual or apparent conflict of interest exists with regard to my possible performance of this procurement, as described in the clause in this solicitation titled "Organizational Conflict of Interest."

7. Offeror's Signature

The offeror hereby certifies that the information contained in these certifications and representations is accurate, complete, and current.

Signature & Date:

Typed or Printed Name:

Title:

General Conditions for Non-Construction Contracts

Section I – (With or without Maintenance Work)

U.S. Department of Housing and Urban Development

Office of Public and Indian Housing

Office of Labor Relations

OMB Approval No. 2577-0157 (exp. 1/01/2014)

Public Reporting Burden for this collection of information is estimated to average 0.08 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Office of Information Policies and Systems, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600; and to the Office of Management and Budget, Paperwork Reduction Project (2577-0157), Washington, D.C. 20503. Do not send this completed form to either of these addresses.

Applicability. This form HUD-5370-C has 2 Sections. These Sections must be inserted into non-construction contracts as described below:

- 1) **Non-construction contracts** (without maintenance) greater than \$100,000 - use Section I;
- 2) **Maintenance contracts** (including nonroutine maintenance as defined at 24 CFR 968.105) greater than \$2,000 but not more than \$100,000 - use Section II; and
- 3) **Maintenance contracts** (including nonroutine maintenance), greater than \$100,000 – use Sections I and II.

Section I - Clauses for All Non-Construction Contracts greater than \$100,000

1. Definitions

The following definitions are applicable to this contract:

- (a) "Authority or Housing Authority (HA)" means the Housing Authority.
- (b) "Contract" means the contract entered into between the Authority and the Contractor. It includes the contract form, the Certifications and Representations, these contract clauses, and the scope of work. It includes all formal changes to any of those documents by addendum, Change Order, or other modification.
- (c) "Contractor" means the person or other entity entering into the contract with the Authority to perform all of the work required under the contract.
- (d) "Day" means calendar days, unless otherwise stated.
- (e) "HUD" means the Secretary of Housing and Urban development, his delegates, successors, and assigns, and the officers and employees of the United States Department of Housing and Urban Development acting for and on behalf of the Secretary.

2. Changes

- (a) The HA may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this contract in the services to be performed or supplies to be delivered.
- (b) If any such change causes an increase or decrease in the hourly rate, the not-to-exceed amount of the contract, or the time required for performance of any part of the work under this contract, whether or not changed by the order, or otherwise affects the conditions of this contract, the HA shall make an equitable adjustment in the not-to-exceed amount, the hourly rate, the delivery schedule, or other affected terms, and shall modify the contract accordingly.
- (c) The Contractor must assert its right to an equitable adjustment under this clause within 30 days from the date of receipt of the written order. However, if the HA decides that the facts justify it, the HA may receive and act upon a

- proposal submitted before final payment of the contract.
- (d) Failure to agree to any adjustment shall be a dispute under clause Disputes, herein. However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.
- (e) No services for which an additional cost or fee will be charged by the Contractor shall be furnished without the prior written consent of the HA.

3. Termination for Convenience and Default

- (a) The HA may terminate this contract in whole, or from time to time in part, for the HA's convenience or the failure of the Contractor to fulfill the contract obligations (default). The HA shall terminate by delivering to the Contractor a written Notice of Termination specifying the nature, extent, and effective date of the termination. Upon receipt of the notice, the Contractor shall: (i) immediately discontinue all services affected (unless the notice directs otherwise); and (ii) deliver to the HA all information, reports, papers, and other materials accumulated or generated in performing this contract, whether completed or in process.
- (b) If the termination is for the convenience of the HA, the HA shall be liable only for payment for services rendered before the effective date of the termination.
- (c) If the termination is due to the failure of the Contractor to fulfill its obligations under the contract (default), the HA may (i) require the Contractor to deliver to it, in the manner and to the extent directed by the HA, any work as described in subparagraph (a)(ii) above, and compensation be determined in accordance with the Changes clause, paragraph 2, above; (ii) take over the work and prosecute the same to completion by contract or otherwise, and the Contractor shall be liable for any additional cost incurred by the HA; (iii) withhold any payments to the Contractor, for the purpose of off-set or partial payment, as the case may be, of amounts owed to the HA by the Contractor.
- (d) If, after termination for failure to fulfill contract obligations (default), it is determined that the Contractor had not failed, the termination shall be deemed to have been effected for the convenience of the HA, and the Contractor shall be entitled to payment as described in paragraph (b) above.
- (e) Any disputes with regard to this clause are expressly made subject to the terms of clause titled Disputes herein.

4. Examination and Retention of Contractor's Records

- (a) The HA, HUD, or Comptroller General of the United States, or any of their duly authorized representatives shall, until 3 years after final payment under this contract, have access to and the right to examine any of the Contractor's directly pertinent books, documents, papers, or other records involving transactions related to this contract for the purpose of making audit, examination, excerpts, and transcriptions.

- (b) The Contractor agrees to include in first-tier subcontracts under this contract a clause substantially the same as paragraph (a) above. "Subcontract," as used in this clause, excludes purchase orders not exceeding \$10,000.
- (c) The periods of access and examination in paragraphs (a) and (b) above for records relating to:
 - (i) appeals under the clause titled Disputes;
 - (ii) litigation or settlement of claims arising from the performance of this contract; or,
 - (iii) costs and expenses of this contract to which the HA, HUD, or Comptroller General or any of their duly authorized representatives has taken exception shall continue until disposition of such appeals, litigation, claims, or exceptions.

5. Rights In Data (Ownership and Proprietary Interest)

The HA shall have exclusive ownership of, all proprietary interest in, and the right to full and exclusive possession of all information, materials and documents discovered or produced by Contractor pursuant to the terms of this Contract, including but not limited to reports, memoranda or letters concerning the research and reporting tasks of this Contract.

6. Energy Efficiency

The contractor shall comply with all mandatory standards and policies relating to energy efficiency which are contained in the energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub.L. 94-163) for the State in which the work under this contract is performed.

7. Disputes

- (a) All disputes arising under or relating to this contract, except for disputes arising under clauses contained in Section III, Labor Standards Provisions, including any claims for damages for the alleged breach thereof of which are not disposed of by agreement, shall be resolved under this clause.
- (b) All claims by the Contractor shall be made in writing and submitted to the HA. A claim by the HA against the Contractor shall be subject to a written decision by the HA.
- (c) The HA shall, with reasonable promptness, but in no event in no more than 60 days, render a decision concerning any claim hereunder. Unless the Contractor, within 30 days after receipt of the HA's decision, shall notify the HA in writing that it takes exception to such decision, the decision shall be final and conclusive.
- (d) Provided the Contractor has (i) given the notice within the time stated in paragraph (c) above, and (ii) excepted its claim relating to such decision from the final release, and (iii) brought suit against the HA not later than one year after receipt of final payment, or if final payment has not been made, not later than one year after the Contractor has had a reasonable time to respond to a written request by the HA that it submit a final voucher and release, whichever is earlier, then the HA's decision shall not be final or conclusive, but the dispute shall be determined on the merits by a court of competent jurisdiction.
- (e) The Contractor shall proceed diligently with performance of this contract, pending final resolution of any request for relief, claim, appeal, or action arising under the contract, and comply with any decision of the HA.

8. Contract Termination; Debarment

A breach of these Contract clauses may be grounds for termination of the Contract and for debarment or denial of participation in HUD programs as a Contractor and a subcontractor as provided in 24 CFR Part 24.

9. Assignment of Contract

The Contractor shall not assign or transfer any interest in this contract; except that claims for monies due or to become due from the HA under the contract may be assigned to a bank, trust company, or other financial institution. If the Contractor is a partnership, this contract shall inure to the benefit of the surviving or remaining member(s) of such partnership approved by the HA.

10. Certificate and Release

Prior to final payment under this contract, or prior to settlement upon termination of this contract, and as a condition precedent thereto, the Contractor shall execute and deliver to the HA a certificate and release, in a form acceptable to the HA, of all claims against the HA by the Contractor under and by virtue of this contract, other than such claims, if any, as may be specifically excepted by the Contractor in stated amounts set forth therein.

11. Organizational Conflicts of Interest

- (a) The Contractor warrants that to the best of its knowledge and belief and except as otherwise disclosed, it does not have any organizational conflict of interest which is defined as a situation in which the nature of work under this contract and a contractor's organizational, financial, contractual or other interests are such that:
 - (i) Award of the contract may result in an unfair competitive advantage; or
 - (ii) The Contractor's objectivity in performing the contract work may be impaired.
- (b) The Contractor agrees that if after award it discovers an organizational conflict of interest with respect to this contract or any task/delivery order under the contract, he or she shall make an immediate and full disclosure in writing to the Contracting Officer which shall include a description of the action which the Contractor has taken or intends to take to eliminate or neutralize the conflict. The HA may, however, terminate the contract or task/delivery order for the convenience of the HA if it would be in the best interest of the HA.
- (c) In the event the Contractor was aware of an organizational conflict of interest before the award of this contract and intentionally did not disclose the conflict to the Contracting Officer, the HA may terminate the contract for default.
- (d) The terms of this clause shall be included in all subcontracts and consulting agreements wherein the work to be performed is similar to the service provided by the prime Contractor. The Contractor shall include in such subcontracts and consulting agreements any necessary provisions to eliminate or neutralize conflicts of interest.

12. Inspection and Acceptance

- (a) The HA has the right to review, require correction, if necessary, and accept the work products produced by the Contractor. Such review(s) shall be carried out within 30 days so as to not impede the work of the Contractor. Any

product of work shall be deemed accepted as submitted if the HA does not issue written comments and/or required corrections within 30 days from the date of receipt of such product from the Contractor.

- (b) The Contractor shall make any required corrections promptly at no additional charge and return a revised copy of the product to the HA within 7 days of notification or a later date if extended by the HA.
- (c) Failure by the Contractor to proceed with reasonable promptness to make necessary corrections shall be a default. If the Contractor's submission of corrected work remains unacceptable, the HA may terminate this contract (or the task order involved) or reduce the contract price or cost to reflect the reduced value of services received.

13. Interest of Members of Congress

No member of or delegate to the Congress of the United States of America or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit to arise there from, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

14. Interest of Members, Officers, or Employees and Former Members, Officers, or Employees

No member, officer, or employee of the HA, no member of the governing body of the locality in which the project is situated, no member of the governing body in which the HA was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the project, shall, during his or her tenure, or for one year thereafter, have any interest, direct or indirect, in this contract or the proceeds thereof.

15. Limitation on Payments to Influence Certain Federal Transactions

- (a) Definitions. As used in this clause:

"Agency", as defined in 5 U.S.C. 552(f), includes Federal executive departments and agencies as well as independent regulatory commissions and Government corporations, as defined in 31 U.S.C. 9101(1).

"Covered Federal Action" means any of the following Federal actions:

- (i) The awarding of any Federal contract;
- (ii) The making of any Federal grant;
- (iii) The making of any Federal loan;
- (iv) The entering into of any cooperative agreement; and,
- (v) The extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

Covered Federal action does not include receiving from an agency a commitment providing for the United States to insure or guarantee a loan.

"Indian tribe" and "tribal organization" have the meaning provided in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450B). Alaskan Natives are included under the definitions of Indian tribes in that Act.

"Influencing or attempting to influence" means making, with the intent to influence, any communication to or appearance before an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any covered Federal action.

"Local government" means a unit of government in a State and, if chartered, established, or otherwise recognized by a State for the performance of a governmental duty, including a local public authority, a special district, an intrastate district, a council of governments, a sponsor group representative organization, and any other instrumentality of a local government.

"Officer or employee of an agency" includes the following individuals who are employed by an agency:

- (i) An individual who is appointed to a position in the Government under title 5, U.S.C., including a position under a temporary appointment;
- (ii) A member of the uniformed services as defined in section 202, title 18, U.S.C.;
- (iii) A special Government employee as defined in section 202, title 18, U.S.C.; and,
- (iv) An individual who is a member of a Federal advisory committee, as defined by the Federal Advisory Committee Act, title 5, appendix 2.

"Person" means an individual, corporation, company, association, authority, firm, partnership, society, State, and local government, regardless of whether such entity is operated for profit or not for profit. This term excludes an Indian tribe, tribal organization, or other Indian organization with respect to expenditures specifically permitted by other Federal law.

"Recipient" includes all contractors, subcontractors at any tier, and subgrantees at any tier of the recipient of funds received in connection with a Federal contract, grant, loan, or cooperative agreement. The term excludes an Indian tribe, tribal organization, or any other Indian organization with respect to expenditures specifically permitted by other Federal law.

"Regularly employed means, with respect to an officer or employee of a person requesting or receiving a Federal contract, grant, loan, or cooperative agreement, an officer or employee who is employed by such person for at least 130 working days within one year immediately preceding the date of the submission that initiates agency consideration of such person for receipt of such contract, grant, loan, or cooperative agreement. An officer or employee who is employed by such person for less than 130 working days within one year immediately preceding the date of submission that initiates agency consideration of such person shall be considered to be regularly employed as soon as he or she is employed by such person for 130 working days.

"State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, a territory or possession of the United States, an agency or instrumentality of a State, and a multi-State, regional, or interstate entity having governmental duties and powers.

- (b) Prohibition.

- (i) Section 1352 of title 31, U.S.C. provides in part that no appropriated funds may be expended by the recipient of a Federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

- (ii) The prohibition does not apply as follows:

(1) Agency and legislative liaison by Own Employees.

(a) The prohibition on the use of appropriated funds, in paragraph (l) of this section, does not apply in the case of a payment of reasonable compensation made to an officer or employee of a person requesting or receiving a Federal contract, grant, loan, or cooperative agreement, if the payment is for agency and legislative activities not directly related to a covered Federal action.

(b) For purposes of paragraph (b)(l)(1)(a) of this clause, providing any information specifically requested by an agency or Congress is permitted at any time.

(c) The following agency and legislative liaison activities are permitted at any time only where they are not related to a specific solicitation for any covered Federal action:

(1) Discussing with an agency (including individual demonstrations) the qualities and characteristics of the person's products or services, conditions or terms of sale, and service capabilities; and,

(2) Technical discussions and other activities regarding the application or adaptation of the person's products or services for an agency's use.

(d) The following agency and legislative liaison activities are permitted where they are prior to formal solicitation of any covered Federal action:

(1) Providing any information not specifically requested but necessary for an agency to make an informed decision about initiation of a covered Federal action;

(2) Technical discussions regarding the preparation of an unsolicited proposal prior to its official submission; and

(3) Capability presentations by persons seeking awards from an agency pursuant to the provisions of the Small Business Act, as amended by Public Law 95-507 and other subsequent amendments.

(e) Only those activities expressly authorized by subdivision (b)(ii)(1)(a) of this clause are permitted under this clause.

(2) Professional and technical services.

(a) The prohibition on the use of appropriated funds, in subparagraph (b)(i) of this clause, does not apply in the case of-

(i) A payment of reasonable compensation made to an officer or employee of a person requesting or receiving a covered Federal action or an extension, continuation, renewal, amendment, or modification of a covered Federal action, if payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal action.

(ii) Any reasonable payment to a person, other than an officer or employee of a

person requesting or receiving a covered Federal action or an extension, continuation, renewal, amendment, or modification of a covered Federal action if the payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal action. Persons other than officers or employees of a person requesting or receiving a covered Federal action include consultants and trade associations.

(b) For purposes of subdivision (b)(ii)(2)(a) of clause, "professional and technical services" shall be limited to advice and analysis directly applying any professional or technical discipline.

(c) Requirements imposed by or pursuant to law as a condition for receiving a covered Federal award include those required by law or regulation, or reasonably expected to be required by law or regulation, and any other requirements in the actual award documents.

(d) Only those services expressly authorized by subdivisions (b)(ii)(2)(a)(i) and (ii) of this section are permitted under this clause.

(iii) Selling activities by independent sales representatives.

(c) The prohibition on the use of appropriated funds, in subparagraph (b)(i) of this clause, does not apply to the following selling activities before an agency by independent sales representatives, provided such activities are prior to formal solicitation by an agency and are specifically limited to the merits of the matter:

(i) Discussing with an agency (including individual demonstration) the qualities and characteristics of the person's products or services, conditions or terms of sale, and service capabilities; and

(ii) Technical discussions and other activities regarding the application or adaptation of the person's products or services for an agency's use.

(d) Agreement. In accepting any contract, grant, cooperative agreement, or loan resulting from this solicitation, the person submitting the offer agrees not to make any payment prohibited by this clause.

(e) Penalties. Any person who makes an expenditure prohibited under paragraph (b) of this clause shall be subject to civil penalties as provided for by 31 U.S.C. 1352. An imposition of a civil penalty does not prevent the Government from seeking any other remedy that may be applicable.

(f) Cost Allowability. Nothing in this clause is to be interpreted to make allowable or reasonable any costs which would be unallowable or unreasonable in accordance with Part 31 of the Federal Acquisition Regulation (FAR), or OMB Circulars dealing with cost allowability for recipients of assistance agreements. Conversely, costs made specifically unallowable by the requirements in this clause will not be made allowable under any of the provisions of FAR Part 31 or the relevant OMB Circulars.

16. Equal Employment Opportunity

During the performance of this contract, the Contractor agrees as follows:

- (a) The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin.
- (b) The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to (1) employment; (2) upgrading; (3) demotion; (4) transfer; (5) recruitment or recruitment advertising; (6) layoff or termination; (7) rates of pay or other forms of compensation; and (8) selection for training, including apprenticeship.
- (c) The Contractor shall post in conspicuous places available to employees and applicants for employment the notices to be provided by the Contracting Officer that explain this clause.
- (d) The Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
- (e) The Contractor shall send, to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, the notice to be provided by the Contracting Officer advising the labor union or workers' representative of the Contractor's commitments under this clause, and post copies of the notice in conspicuous places available to employees and applicants for employment.
- (f) The Contractor shall comply with Executive Order 11246, as amended, and the rules, regulations, and orders of the Secretary of Labor.
- (g) The Contractor shall furnish all information and reports required by Executive Order 11246, as amended and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto. The Contractor shall permit access to its books, records, and accounts by the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- (h) In the event of a determination that the Contractor is not in compliance with this clause or any rule, regulation, or order of the Secretary of Labor, this contract may be canceled, terminated, or suspended in whole or in part, and the Contractor may be declared ineligible for further Government contracts, or federally assisted construction contracts under the procedures authorized in Executive Order 11246, as amended. In addition, sanctions may be imposed and remedies invoked against the Contractor as provided in Executive Order 11246, as amended, the rules, regulations, and orders of the Secretary of Labor, or as otherwise provided by law.
- (i) The Contractor shall include the terms and conditions of this clause in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued under Executive Order 11246, as amended, so that these terms and conditions will be binding upon each subcontractor or vendor. The Contractor shall take such action with respect to any subcontractor or purchase order as the Secretary of Housing and Urban Development or the Secretary of Labor may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided that if the

Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

17. Dissemination or Disclosure of Information

No information or material shall be disseminated or disclosed to the general public, the news media, or any person or organization without prior express written approval by the HA.

18. Contractor's Status

It is understood that the Contractor is an independent contractor and is not to be considered an employee of the HA, or assume any right, privilege or duties of an employee, and shall save harmless the HA and its employees from claims suits, actions and costs of every description resulting from the Contractor's activities on behalf of the HA in connection with this Agreement.

19. Other Contractors

HA may undertake or award other contracts for additional work at or near the site(s) of the work under this contract. The contractor shall fully cooperate with the other contractors and with HA and HUD employees and shall carefully adapt scheduling and performing the work under this contract to accommodate the additional work, heeding any direction that may be provided by the Contracting Officer. The contractor shall not commit or permit any act that will interfere with the performance of work by any other contractor or HA employee.

20. Liens

The Contractor is prohibited from placing a lien on HA's property. This prohibition shall apply to all subcontractors.

21. Training and Employment Opportunities for Residents in the Project Area (Section 3, HUD Act of 1968; 24 CFR 135)

- (a) The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- (b) The parties to this contract agree to comply with HUD's regulations in 24 CFR Part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.
- (c) The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of

apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

- (d) The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.
- (e) The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 135.
- (f) Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

22. Procurement of Recovered Materials

- (a) In accordance with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, the Contractor shall procure items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition. The Contractor shall procure items designated in the EPA guidelines that contain the highest percentage of recovered materials practicable unless the Contractor determines that such items: (1) are not reasonably available in a reasonable period of time; (2) fail to meet reasonable performance standards, which shall be determined on the basis of the guidelines of the National Institute of Standards and Technology, if applicable to the item; or (3) are only available at an unreasonable price.
- (b) Paragraph (a) of this clause shall apply to items purchased under this contract where: (1) the Contractor purchases in excess of \$10,000 of the item under this contract; or (2) during the preceding Federal fiscal year, the Contractor: (i) purchased any amount of the items for use under a contract that was funded with Federal appropriations and was with a Federal agency or a State agency or agency of a political subdivision of a State; and (ii) purchased a total of in excess of \$10,000 of the item both under and outside that contract.

**HOUSING AUTHORITY OF THE CITY OF FREEPORT
SECTION 3 AGREEMENT**

- A. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended. 12 U.S.C. 1701U (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD assisted projects covered by Section 3 shall, to the greatest extent feasible be directed to low and very low income persons, particularly persons who are recipients of HUD assistance for Housing.
- B. The parties to this contract agree to comply with HUD's regulations in 24 CFR Part 135, which implements Section 3, as evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.
- C. The Contractor agrees to send to each labor organization or representative of workers with which the Contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers representative of the contractor's commitments under this Section 3 Clause and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each, and the name and location of the person(s) taking applications for each of the positions, and the anticipated date the work shall begin.
- D. The Contractor agrees to include this Section 3 Clause in every subcontract subject to compliance with regulation in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 Clause, upon a finding that the subcontractor is in violation of the regulation in 24 CFR Part 135. The Contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.
- E. The Contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the Contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the Contractor's obligations under 24 CFR Part 135.
- F. Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions; termination of this contract for default, debarment and /or suspension from future HUD assisted contracts.
- G. With respect to the work performed in connection with Section 3 covered Indian Housing Assistance, Section 7(b) of the Indian Self-determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians and (ii) preference in the award of contracts and subcontracts shall be given to Indian Organizations and Indian Owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b).
- H. By signing and submitting this proposal or bid packet, the Contractor and their subcontractors agree to comply with HUD's regulation in 24 CFR Part 135, which implements Section 3.
- I. The above is respectfully submitted by:

Date _____ Proposer/Firm Name _____

BY: _____ TITLE: _____
Signature

BY: _____ FED EMP ID# (FEIN): _____
Printed Name

ADDRESS, CITY, STATE, ZIP CODE

TELEPHONE NUMBER: _____ FAX: _____

Appendix 7: Non-Collusion Affidavit

NON-COLLUSION AFFIDAVIT OF CONTRACTOR

Attach to HUD-5369-A

_____ does hereby state:
(name)

(1) S/He is the _____ of
(owner, partner, officer, or representative),
_____, hereinafter referred to as Contractor.
(business name)

(2) S/He is fully knowledgeable of the preparation and contents of Subcontractor's proposals which were submitted to (Contractor);

_____, for specific work required in
connection with a Home Forward project titled _____
and located at : _____

(3) Said Contractor's proposal is genuine and is not a collusive or sham proposal;

(4) Neither the Contractor nor any of its officers, partners, owners, agents, representatives, employees, or parties in interest, including myself, has in any way colluded, conspired, connived, or agreed, directly or indirectly, with any other bidder, firm, or person to submit a collusive or sham proposal in connection with such contract or to refrain from submitting a proposal in connection with such contract, or has in any manner, directly or indirectly, sought by unlawful agreement or connivance with any other bidder, firm, or person to fix the price or prices in said Contractor's Proposal, or to fix any overhead, profit, or cost element of the price or prices in said Contractor's Proposal, or to secure through collusion, conspiracy, connivance, or unlawful agreement any advantage against Home Forward, or any person interested in the proposed Contract; and

(5) The price or prices quoted in the Contractor's Proposal are fair and proper and are not tainted by any collusion, conspiracy, connivance, or unlawful agreement on the part of the Bidder or any of its agents, representatives, owners, employees, or parties in interest, including myself.

Signed: _____

Title: _____

Date: _____

Witnessed by: _____

Certification Regarding Debarment and Suspension

U.S. Department of Housing
and Urban Development

Appendix 8:
Certificate Regarding Debarment

Certification A: Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions

1. The prospective primary participant certifies to the best of its knowledge and belief that its principals;

a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal debarment or agency;

b. Have not within a three-year period preceding this proposal, been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;

c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

d. Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.

2. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Instructions for Certification (A)

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause of default.

4. The prospective primary participant shall provide immediate written notice to the department or agency to whom this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms **covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded**, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of these regulations.

6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines this eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph (6) of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause of default.

Certification B: Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Instructions for Certification (B)

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.

2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

4. The terms **covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded**, as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of these regulations.

5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph (5) of these instructions, if a participant in a lower covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies including suspension and/or debarment.

Applicant		Date
Signature of Authorized Certifying Official		Title