

ADDENDUM #1
REQUEST FOR PROPOSALS (RFP) #2409
PROPERTY MANAGEMENT SERVICES
FOR
STRATHMORE COURT LP

September 20, 2023

This is to advise Offerors that RFP #2409 is hereby amended as follows:

No.	RFP QUESTION	RFP ANSWER
1.	Will this be “Contract Assisted” or “Contract Managed”?	This property will be contract managed.
2.	If we wanted to send proposals for multiple properties do we have to send one for each? Or can we combine under one proposal?	HOC does not want a general response. The agency is looking for Respondent’s property-specific response; therefore, a proposal is required for each RFP.
3.	Given the nature of our third-party management status for the majority of our portfolio, we are unable to provide confidential details about our clients’ debt; as such, we’d like to confirm that we will be unable to fill columns H (Required Lender Debt Coverage Ratio (DCR)) and I (Actual Annualized DCR) within Exhibit G.	You are not required to provide client names. You only need to provide general data that is not traceable to any specific client.
4.	<p>On question “1B. Company Portfolio,”</p> <ul style="list-style-type: none"> • Is the question referring to the current portfolio under management? • If requesting properties previously managed, please confirm the timeframe to be included. • What region are we to include? <ul style="list-style-type: none"> ○ Will a list of properties within Montgomery County or the DC Metro area suffice? 	The question is referring to the current portfolio under management. Region does not have to be limited to Montgomery County or the Metro area. Respondents should highlight properties that the company has managed within the last five (5) years. Excel is the preferred format for the submission of this information.

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	<ul style="list-style-type: none"> Should the list be provided in Excel or PDF format? 	
5.	Regarding HOC Works: If we elect option one, but do not get qualified applicants, are we obligated to switch to another option to fulfill our obligation?	Vendors must meet compliance based on the program requirements utilizing one or more of the outlined options. If selected for the contract, HOC Compliance will work with the vendor to achieve full compliance. Insufficient attempts may result in the need to select other requirements.
6.	If we are submitting more than one RFP, will our RFP submissions be reviewed independently per RFP submitted? Context- We do not want to submit to just one property we believe would be appropriate to apply for, because we may not be awarded management. However, we want to know how HOC will review our RFP submissions overall. Example, we respond to 11 RFP's, we know we will not get all 11 properties, we hope at least 1 of the 11. Would HOC view the 11 submissions altogether or separately?	Each proposal will be evaluated separately.
7.	What is the GPR for this property? Where can all other GPR and financial information be found for each property that is not given in the RFP; I assume 2024 Budget, please confirm.	All property financial information that we share with the general public is available on the HOC website under About HOC>Budgets & Audits.
8.	Are we required to use HOC Yardi? If so, will there be a login provided and training on HOC Yardi set-up?	Yes, the Management Agent will be required to utilize HOC determined software for housing and financial transactions as well as document retention. The current system being utilized is Yardi Voyager (Yardi Systems) and AODocs. Access to HOC systems will be provided to the Management Agent. HOC will provide training, as needed, for all required Software applications. Each Respondent must comply with the requirement that all electronic submissions comply with, and conform to, any technical specifications established by HOC to support

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		<p>data integration with HOC’s current systems, and any successor systems, for all property management and accounting functions. HOC’s Technology Policy forms and New User system onboarding Access are required for each user accessing HOC’s systems. No access will be provided until all requirements are completed. If a contract is awarded for a property not currently operating on Yardi platform, Management Agent will be required to convert the property to Yardi.</p>
9.	<p>Exhibit C-Form 1-HOC Opportunities- Please give an example of what needs to go in this box and where this number is derived from? (Grant/Contract/Loan Amount) See second attachment.</p>	<p>This represents the total dollar amount of the contract (estimated for proposal purposes). If selected, HOC Works requirements will be determined based on actual amounts paid.</p>
10.	<p>Exhibit G_Hv3 Excel spreadsheet – Define the property management bonus structure and how HOC determines if this bonus is awarded</p>	<p>HOC does not offer a bonus structure. HOC would review and approve or deny your proposed bonus structure.</p>
11.	<p>Exhibit G_Hv3 Excel spreadsheet -If the Construction/Procurement and Capital Project Management are a percentage of project amount, how would we show this in the spreadsheet or are we allowed to change it?</p>	<p>Capital Project Management fees should be reflected as a percentage of project amount. HOC construction project management fee schedule is as shown below based on project total.</p> <ul style="list-style-type: none"> o <\$100,000 – 0% o >\$100,000 - \$300,000 – 10% o >\$300,000 - \$500,000 – 8% o >\$500,000 - \$1,666,666 – 6% <p>Construction Management Fees payable for any individual construction project shall not exceed One Hundred Thousand Dollars (\$100,000).</p>
12.	<p>Exhibit I – Certificate Financial Liability – Is there a minimum requirement if income a small company must meet in order to respond to an RFP for Property Management?</p>	<p>The RFP does not state that there are minimum financial qualifications. The RFP requires that firms provide evidence of their financial viability, which includes:</p>

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		<ul style="list-style-type: none"> • Submitting audited financials for the three fiscal years prior to the date of the RFP; and • Submitting a signed certification (see Exhibit I) that states: <ul style="list-style-type: none"> ○ the provided audited financials are true; ○ the company is not insolvent; ○ the company has not filed for bankruptcy; and ○ there is no ongoing or pending litigation that is not sufficiently covered by insurance that would have a materially adverse financial impact on the company if not resolved in its favor. <p>The only reference to a firm’s balance sheet is on Exhibit I. Exhibit I solely requires firms to certify that the firm’s balance sheet, if provided, is true and correct.</p>
13.	Exhibit I – Certificate Financial Liability- We would like our company financial information kept private and not for public viewing. Is there a way to mark these pages as private? What can we do to guard against our financial position being made publicly available?	HOC is subject to the Maryland Public Information Act. We suggest that you clearly mark each page of the allegedly sensitive information as confidential and state that the information is customarily and actually treated as private and is being provided to HOC under an assurance of privacy. However, HOC cannot guaranty certain information will not be disclosed. Please review the Maryland Public Information Act website for more information.
14.	Exhibit I -Define audited. Is this third-party audit or just internal audit within our company?	There are third-party audits.
15.	Do we have to purchase any additional insurance an RFP may require prior to being awarded to meet the RFP COI requirements?	The winning Respondent will be required to obtain and keep in force and effect at its own expense, during the entire term of the contract (including any renewals) insurance. The insurance type required shall be written for not

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		less than the limits of liabilities found in the RFP. As part of the proposal response Respondent's shall show evidence/ability to be able to procure such insurance.
16.	When meeting minimum qualification for RFP, there is 5 years of continuous experience, if the Respondent cannot meet all 5, they may use executive staff experience. Please clarify if Respondent means the company and not an individual. Please also clarify is the executive staff's experience requirements, what does HOC need from the executive staff to show their experience?	Respondent refers to the company. If a property management company does not meet the minimum five (5) years of continuous experience in property management managing properties similar to the property described in the RFP, the experience of its executive-level staff may be used. Resumes, certifications, licenses, etc. should be included as part of the response to show the experience of the executive staff.
17.	Which reports are required as back up to Exhibit G?	Respondents should provide reports that support Respondents' actual performance data provided in Exhibit G (i.e., Average occupancy over the most recent 12 months supported by PDF reports from the Respondents management software; To support DSCR ratios the audited financials for most recent year-end showing NOI & Debt Services; Other information may be redacted if necessary). A narrative to explain the provided metrics may be included.
18.	All the RFPs require a financial audit of the company. Is there something in lieu of a full financial audit? Can tax returns, letters from our accountant, financials be submitted? Please advise if there's an alternative to the audit.	HOC is requesting a full financial audit. If an audit for the most recent year has not been completed, provide the audit for the year prior.
19.	It is the understanding that proposal submissions will not be reviewed/considered unless the management company shows proof of having submitted the 2530 to HUD (obviously only for the HUD properties). In order to submit a 2530 to HUD the FHA number for each of the sites. This is not listed in the RFP data.	This something that should be in place and not specific to the properties submitting proposals for. This is to confirm the firm is registered with HUD.

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20.	Regarding the new balance sheet requirements. There are no clarifications that HOC is not looking for a minimum balance sheet a company should be doing business at in order to respond to an RFP. I think it would be fair for HOC to specify that there is not a set minimum number a company is required to do business at in order to respond to an RFP as a Prime or MBE.	<p>The RFP does not state that there are minimum financial qualifications. The RFP requires that firms provide evidence of their financial viability, which includes:</p> <ul style="list-style-type: none"> • Submitting audited financials for the three fiscal years prior to the date of the RFP; and • Submitting a signed certification (see Exhibit I) that states: <ul style="list-style-type: none"> ○ the provided audited financials are true; ○ the company is not insolvent; ○ the company has not filed for bankruptcy; and ○ there is no ongoing or pending litigation that is not sufficiently covered by insurance that would have a materially adverse financial impact on the company if not resolved in its favor. <p>The only reference to a firm’s balance sheet is on Exhibit I. Exhibit I solely requires firms to certify that the firm’s balance sheet, if provided, is true and correct.</p>
21.	Are the audit financials to be submitted with the proposal?	<p>Evidence of the firm’s financial viability which includes:</p> <ul style="list-style-type: none"> • submitting audited financials for the three fiscal years prior to the date of this RFP; and • submitting a signed certification that states (a) the provided audited financials are true; (b) the company is not insolvent; (c) the company has not filed for bankruptcy; and (d) there is no ongoing or pending litigation that is not sufficiently covered by insurance that would have a materially adverse financial

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		<p>impact on the company if not resolved in its favor should be submitted with the proposal.</p>
22.	<p>Is HOC hoping to award these contracts to a single management company? Or are they just looking for the best fit for each individual property?</p>	<p>HOC desires to award a management contract to a single Respondent based on the evaluation criteria listed in the RFP.</p>
23.	<p>Do you know if the processing turnaround for the 2530 form is quick?</p>	<p>HOC is unsure of an exact timeframe, but HUD provides instructions to submit electronically through the Active Partners Performance System (APPS). Documentation of electronic submission, along with a hard copy of the form must be submitted as documentation with this proposal.</p>
24.	<p>Are Exhibits G and H used by HOC to score the management company or do we have to fill this out and if so, do we have to list our entire past experiences etc?</p>	<p>All Exhibits are part of the RFP proposal review process and need to be filled out by the Respondent. Each Respondent must list applicable experience for the past five (5) years or for however long the company has been in business if less than five (5) years.</p>

There are no other changes.

This addendum shall be acknowledged by all offerors and shall accompany the proposal.

Acknowledged by: _____

Title: _____

Company Name: _____

Address: _____

Phone: _____

Email: _____

Lihao Zhu
Buyer II