

Revised: December 19, 2022

Housing Opportunities Commission  
Special Work Session  
December 20, 2022

4:00 p.m. – via Zoom

Work Session

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## SECOND DISCUSSION ON EVALUATION & SCORING METRICS for Property Management RFPs

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CHELSEA ANDREWS, EXECUTIVE DIRECTOR

STAFF OF:  
Procurement Office  
Legal Division  
Finance Division  
Property Management Division

December 20, 2022

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# Agenda

- **Welcome**
- **Setting the Stage**
- **Summary of Main Changes to Evaluation Metrics**
- **Poll #1: Revised Evaluation Metrics**
- **Proposed Scoring Metrics**
- **Poll #2: Scoring Metrics**
- **Next Steps**

# Setting the Stage

- **October Meeting:** Staff presented and the Commission provided feedback on proposed evaluation metrics for property management agreements.
- **Structure of Today's Meeting:**
  - Briefly highlight changes to the RFP requested by the Commission and incorporated by staff.
  - Discuss and obtain Commissioner feedback on the scoring metrics.
- **Goal of this Meeting:**
  - Commissioners will be comfortable enough with the proposed evaluation and scoring metrics to permit HOC staff to go ahead with an updated RFP for property management agreements.

Note: This is not a request for formal action, rather HOC staff are seeking consensus to move forward with the concepts presented.

# Summary of Main Changes

- Naming changes:
  - Revised “Core Values” to “Evaluation Metrics”
  - Revised “Experience & Qualifications” to “Qualifications & Capabilities”
- Changes/additions to evaluation metrics:
  - Minimum Qualifications: Permit the experience of executive staff at a firm to be counted towards the experience threshold
  - Qualifications & Capabilities (added new requirements):
    - Respondents to include their approach to customer surveys and results from their customer surveys.
    - Respondents to outline their MFD/Diversity, Equity & inclusion policies in detail.
    - Respondents to discuss how they respond to crises and manage major events.
  - Current & Past Performance (revised evaluation criteria):
    - Turnover/Vacancies.
    - Respondent to provide net operating income and debt at properties (removed debt service coverage ratio).
  - Property Plan: Must include a plan for unit turn around (if applicable).
  - Property Management Fee: Will require that respondents explain how they structure the management fee.
  - MFD: Updates to the measurement criteria.

## POLL #1:

### Do you agree with and support the proposed evaluation metrics?

Core Value	Agree and Support (no discussion needed)	Agree with Most and Support (no discussion needed)	Cannot Support (discussion needed)
1. Minimum Qualifications			
a. Responsiveness			
b. Experience Minimum			
c. Financial Viability Minimum			
2. Qualifications & Capabilities			
3. Current & Past Performance			
4. Proposed Property Plan			
5. Management Fee/Vendor Costs			
6. MFD Participation			

# Revised Slides re: Evaluation Metrics

\*Revisions are highlighted in blue



# Evaluation Metric: Minimum Qualifications

**Goal of Minimum Qualifications:** Have a set of concrete and measurable qualifications that are required for a respondent's application. If a respondent does not meet the minimum threshold, their application will not be reviewed.

## Minimum Qualifications\*:

- Responsiveness
  - Did the Respondent provide all information in the format and order requested in the RFP?
- Minimum Experience
  - Does the Respondent meet the below-listed minimum experience requirements?
    - Specific Requirements will be adapted for the type of property:
      - A minimum of [X] years of continuous experience in property management managing affordable and market rate components similar to the Property and as described herein ([experience of executive staff can be counted towards meeting this minimum standard](#)); and
      - Experience in managing multiple sites and/or single sites totaling more than [X] units at a given time in the past 12 months.
- Financial Viability
  - Does the Respondent meet certain financial viability requirements?
    - All Respondents will submit financial statements and be required to certify that such financial statements are true, they are not in bankruptcy, they are solvent and that there is no material litigation that might impact their financial viability.

# Evaluation Metric: Qualifications & Capabilities

**Goal of Qualifications & Capabilities (Narrative Response):** To determine whether the Respondent has sufficient experience and qualifications to manage this project.

## **Measurement Criteria and Other Requirements:**

- Respondent demonstrated sufficient experience of its executive and on-site staff (e.g., maintenance, senior property manager, assistant property manager, leasing consultant, etc.).
- Respondent demonstrated sufficient experience in managing [affordable, mixed-income, LIHTC, Class A, and age-restricted properties, and the voucher program].
- Respondent **provided a narrative that describes how their general experience with managing properties is applicable to the specific Property.**
- Respondent demonstrated experience working with non-profits, PHAs, and/or government agencies.
- **Respondents included their approach to customer surveys and results from their own customer surveys.\***
- **Respondents outlined their MFD/Diversity, Equity & Inclusion policies in detail.**
- **Respondents discussed how they respond to crises and manage major events.**

# Evaluation Metric: Current & Past Performance

**Goal of Current & Past Performance (Quantitative Response):** To better understand Respondent's actual performance on comparable properties using specific data points.

## Measurement Criteria:

- Key performance metrics for the last five years (or for however long the entity has been in business if less than five years) for projects similar to the property (submarket, size, type, etc.), including, but not limited to:
  - Rent charges vs. collection history
  - Occupancy
  - [Turnover/Vacancies](#)
  - [Respondent to provide net operating income and debt at properties](#)
  - Aged accounts receivable
  - Narrative option to explain any issues with their numbers

\*Note: For ease of comparison, HOC will include a template to be completed by each Respondent.

# Evaluation Metric: Proposed Property Plan

**Goal of Proposed Property Plan:** To gain a deeper understanding of how each Respondent would manage the specific property if they were selected. Many RFP responses are general in nature, and we want to better understand who we are partnering with and what their plans are for our communities and customers.

## Measurement Criteria:

- Quality of and detail in the following plans submitted to HOC as part of the RFP submission:
  - Pre-Leasing and Marketing Plan\*
  - Management Plan (if applicable, must include a plan for unit turn around)\*
  - Maintenance Plan\*
  - Subcontracting Plan\*
  - Staffing Plan
- Note: Property plans should not be one-size fits all, they should be tailored to the relevant property (e.g. if the property is a senior property, the plans need to be responsive to issues at senior properties).

\*HOC has requested these plans in prior RFPs, but they were not scored as a separate core value. Instead, they were scored as part of the Responsiveness category.

# Evaluation Metric: Management Fee/Vendor Costs

**Goal of Management Fee/Vendor Costs:** To get a clear sense of all costs and fees that the Respondent will charge if awarded the contract.

## Measurement Criteria:

- Respondent to provide a breakdown of how the management fee is calculated
- Price per unit Management Fee amount
- Reimbursable expenses
- Vendor services with hourly and overtime rates
- Capital project management fees
- Per unit cost as a percentage
- Any proposed fees to HOC or bonuses to staff for the pre-leasing period or general marketing efforts.

\*Note: For ease of comparison, HOC will include a template to be completed by each Respondent.

# Evaluation Metric: MFD Participation

**Goal of MFD Participation:** Based on direction from the Commission and consistent with the HOC Procurement Policy, HOC is committed to increasing the number of Minority/Female/Disabled (“MFD”) firms that HOC does business with, whether through direct contracts or through subcontracts.

## Measurement Criteria:

- MFD Certification
- Joint Ventures between MFDs & non-MFDs\*
- Subcontracting to MFDs (at least 20% of the Contract Value)
- MFD-focused recruiting, training and leadership programs
- Wages paid to MFDs working on the project
- Performance of the work by MFD firms or MFD employees

# Responses to Other Concerns

Concerns Raised by Commissioners	Included in the RFP	Included in the Property Management Agreement
1. Where do we address Section 3 and/or HOC Works Requirements?	<p style="text-align: center;">✓</p> <p>[All Respondents must submit a Section 3 or HOC Works Plan]</p>	<p style="text-align: center;">✓</p>
2. Where do we address Fair Housing Training and other compliance requirements?	<p style="text-align: center;">✓</p> <p>[Noted as a requirement for all Property Managers]</p>	<p style="text-align: center;">✓</p>
3. Where do we include a detailed description of the Property, customers and programs at the Property?	<p style="text-align: center;">✓</p>	<p style="text-align: center;">✓</p>
4. Where do we include a detailed list of the Scope of Work for the Property Manager?	<p style="text-align: center;">✓</p>	<p style="text-align: center;">✓</p>
5. Where are collection practices outlined and handled?	<p style="text-align: center;">X</p>	<p style="text-align: center;">✓</p>

\*The form property management agreement is attached to the RFP as an Exhibit.

# Proposed Scoring Metrics



# Scoring Metric: HOC Staff Proposal

**Key Question: How should the evaluation metrics be scored in the evaluation process?**

Core Value	Proposed Score
1. Minimum Qualifications - Responsiveness - Minimum Experience - Financial Viability	No score, simply a Y/N response. If any are no, the RFP submission is rejected and not scored.
2. Qualifications & Capabilities (Qualitative)	25 pts
3. Current & Past Performance (Quantitative)	20 pts
4. Proposed Property Plan	20 pts
5. Management Fee/Vendor Costs	20 pts
6. MFD Participation Plan	15 pts
<b>Total:</b>	<b>100 pts</b>

# Comparison of Scoring Metrics

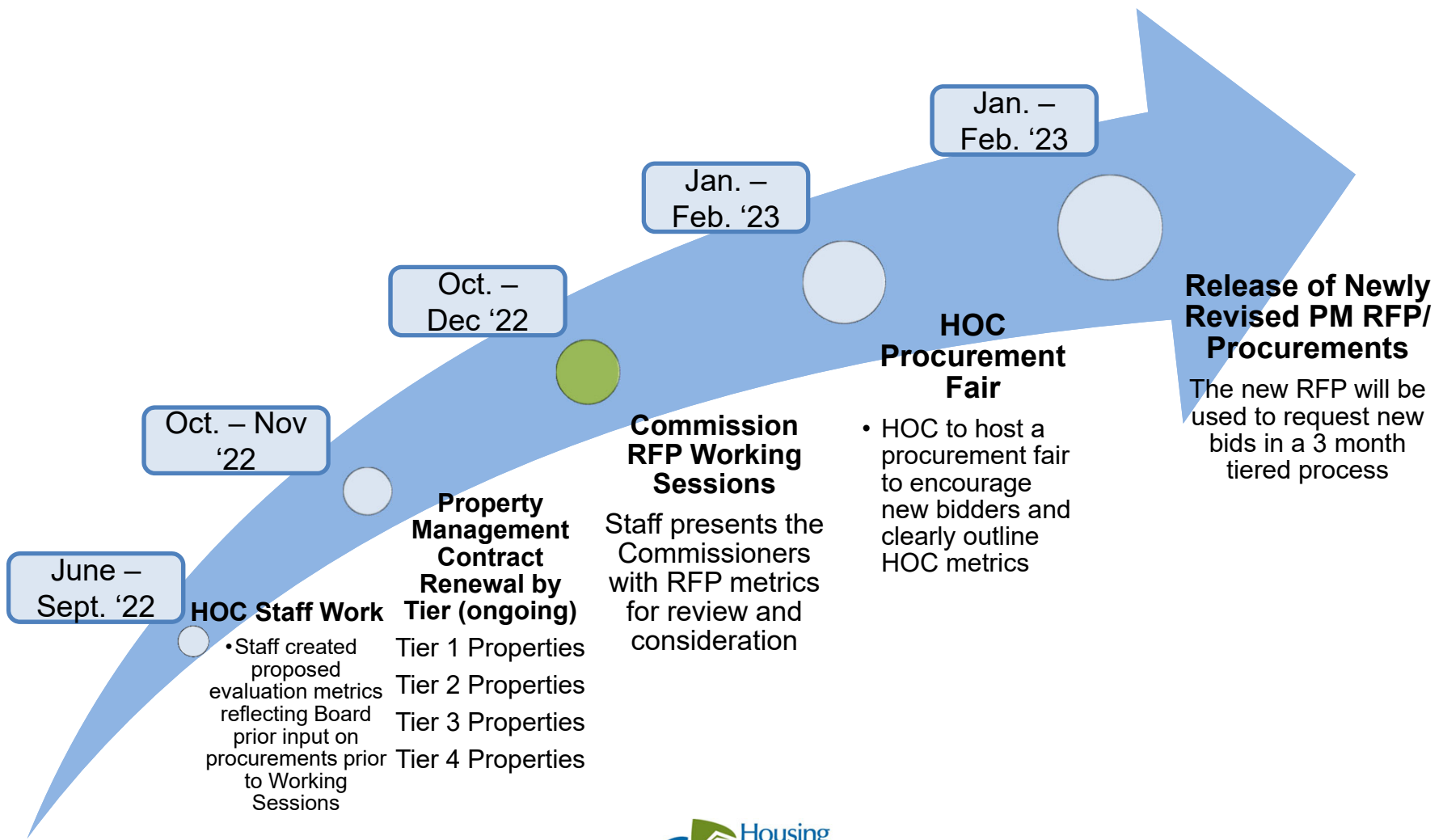
Core Value	Proposed Scoring Metric	Current Scoring Metric
1. Minimum Qualifications:		
- Responsiveness	Yes/No Threshold Response	10 pts
- Minimum Experience	Yes/No Threshold Response	N/A
- Financial Viability	Yes/No Threshold Response	N/A
- Evidence of MFD Commitment	N/A; solely in #5 below	Yes/No Threshold Response
- Submission of Subcontracting Plan	Required under Responsiveness	Yes/No Threshold Response
2. Qualifications & Capabilities	25 pts	20 pts
3. Current & Past Performance	20 pts	20 pts
4. Proposed Property Plan	20 pts	N/A
5. Management Fee/Vendor Costs	20 pts	20 pts
6. MFD Participation Plan	15 pts	15 pts
7. Customer Satisfaction Survey/Review	Included in Qualifications & Capabilities	15 pts
<b>Total</b>	<b>100 pts</b>	<b>100 pts</b>

## POLL #2:

### Do you agree with and support the proposed scoring metrics?

Core Value	Pts	Agree and Support (no discussion needed)	Agree with Most and Support (no discussion needed)	Cannot Support (discussion needed)
1. Minimum Qualifications	Y/N			
a. Responsiveness	Y/N			
b. Experience Minimum	Y/N			
c. Financial Viability Minimum	Y/N			
2. Qualifications & Capabilities	25			
3. Current & Past Performance	20			
4. Proposed Property Plan	20			
5. Management Fee/Vendor Costs	20			
6. MFD Participation	15			

# Next Steps



December 20, 2022





Housing Opportunities Commission of Montgomery County

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# HOC 5-YEAR STRATEGIC PLAN OVERVIEW & TIMELINE (2022 – 2028)

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**Chelsea Andrews**  
Executive Director

December 20, 2022

# 5-Year Strategic Plan Purpose & Approach

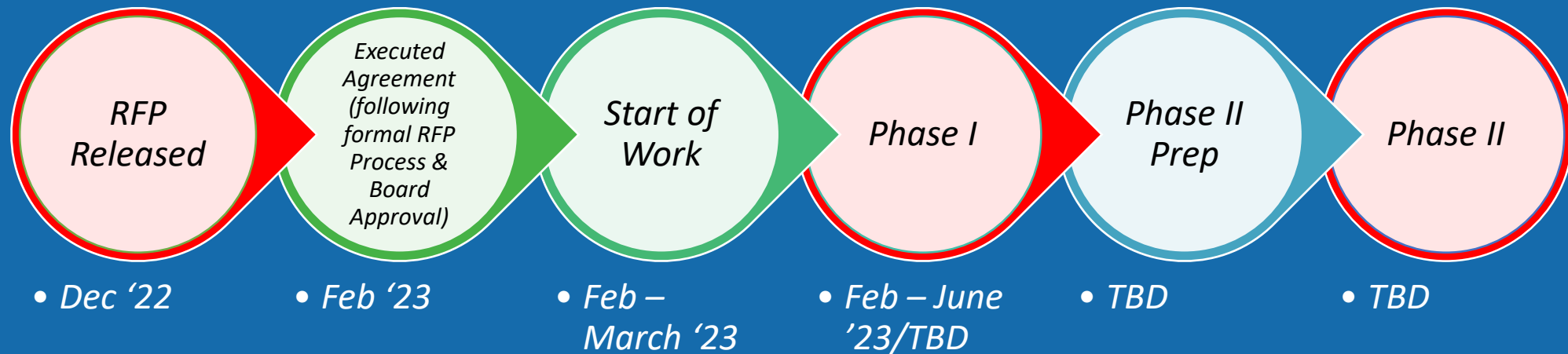
## PURPOSE

- Evaluate past performance
- Create alignment amongst Board, Staff & Stakeholders
- Identify opportunities for improvement and new areas of focus
- Develop HOC's 5-year plan including:
  - Vision
  - Priorities
  - Goals
  - Objectives
  - Key Focus areas: Real Estate Development, Resident Services, Finance, Information Technology, Communication, Partnerships and Personnel
  - Implementation (staffing, feasibility, funding, etc.)

## TWO-PHASE APPROACH

- **Phase I: Plan Development**
  - Engagement Strategy
  - Ecosystem Integration
  - Evaluative Report
  - Feedback Dissemination
  - Plan Development and Dissemination
- **Phase II: Implementation Plan**
  - Operationalizing components of the plan
  - *NOTE: Process and timeline to be determined following successful completion of Phase I and consultant recommendations*

# Tentative Timeline



**NOTE:** Phases I and II involve engagement w/ Commissioners (specifics TBD by consultant)

## Extensive Commissioner Engagement

- **Consultant Selection:** Chair & Vice Chair will serve as observers and participate in interviews
- Selection of consultant will come to the Board for approval
- Commissioner Retreat
- Full Commission will be updated monthly



# EXECUTIVE DIRECTOR REPORT

