



REQUEST FOR QUALIFICATIONS

**PHYSICAL CONDITION ASSESSMENT (PCA)
FOR SANFORD HOUSING AUTHORITY PUBLIC HOUSING PROPERTIES**

RFQ# 16-001

Shannon McLean, Executive Director
1000 Carthage Street
Sanford, North Carolina 27330

November 10, 2015

INTRODUCTION

The Sanford Housing Authority (SHA), pursuant to the procurement regulations of 24 CFR 85.36, is seeking Request for Qualifications (RFQ) from interested firms to conduct a Physical Condition Assessment (PCA) for the SHA public housing developments. There are three AMPs comprised of eight developments:

- **AMP 1**
 - Utley Plaza – 56 units
 - Foushee Heights – 40 units
 - Linden Heights – 46 units
- **AMP 2**
 - Stewart Manor – 100 units
 - Matthews Court – 50 units
- **AMP 3**
 - Gilmore Terrace – 71 units
 - Garden Street – 57 units
 - Harris Court – 26 units

The three AMPs recently received a Rental Assistance Demonstration (RAD) award. This award allows the conversion of this public housing development to a project-based rental assistance development. Interested parties should submit a proposal to the SHA by the submission deadline stated in this RFQ.

SHA is interested in contracting with a firm and/or business to conduct a PCA for the three AMPs. Minority, Women-owned, and Section 3 businesses are encouraged to respond. It is SHA's intent to enter into a contract with the successful firm for the provision of services identified in this RFQ. **Firms must have extensive experience completing a PCA or similar projects per the U.S. Department of Housing and Urban Development guidelines.**

PROPERTY DESCRIPTIONS

AMP1 properties are as follows:

Utley Plaza is a public housing development that consists of 56 units; the property was built in 1981. The current unit size/bedroom distribution includes 1 – one-bedroom, 48 - two bedroom and 6 three-bedroom units. The development is located at 1500 Winslow Drive and consists of 28 dwelling unit buildings. The total acreage of the site is 11.9 acres.

Foushee Heights is a public housing development that consists of 40 units; the property was built in 1984. The current unit size/bedroom distribution includes 34 - two bedroom and 6 three-bedroom units. The development is located at 2802 Eames Drive and consists of 13 dwelling unit buildings. The total acreage of the site is 8.7 acres.

Linden Heights is a public housing development that consists of 46 units; the property was built in 1965. The current unit size/bedroom distribution includes 4 – zero bedroom, 16 – one-bedroom, 14-two bedroom and 8 three-bedroom, and two four-bedroom units. The development is located at 2802 Eames Drive and consists of 1 non-dwelling and 20 dwelling unit buildings. The total acreage of the site is 6.03 acres.

AMP2 properties are as follows:

Stewart Manor is a public housing development that consists of 100 units; the property was built in 1978. The current unit size/bedroom distribution includes 40 – zero bedroom, 56 – one-bedroom and 4-two bedroom units. The development is located at 500 Dudley Street and consists of one dwelling unit building. The total acreage of the site is 5.6 acres.

Matthews Court is a public housing development that consists of 50 units; the property was built in 1970. The current unit size/bedroom distribution includes 18 – zero bedroom, 30 – one-bedroom and 2-two bedroom units. The development is located at 338 Temple Avenue and consists of 1 non-dwelling and 9 dwelling unit buildings. The total acreage of the site is 3.7 acres.

AMP3 properties are as follows:

Gilmore Terrace is a public housing development that consists of 70 units; the property was built in 1965. The current unit size/bedroom distribution includes 11 – one-bedroom, 20-two bedroom, 22 three-bedroom, 12 four-bedroom and 5 five-bedroom units. The development is located at 1021 Clark Circle and consists of 1 non-dwelling and 35 dwelling unit buildings. The total acreage of the site is 12.3 acres.

Garden Street is a public housing development that consists of 57 units; the property was built in 1971. The current unit size/bedroom distribution includes 21-two bedroom, and 36 three-bedroom units. The development is located at Garden Street and consists of 1 non-dwelling and 21 dwelling unit buildings. The total acreage of the site is 12.3 acres.

Harris Court is a public housing development that consists of 26 units; the property was built in 1965. The current unit size/bedroom distribution includes 17 – one-bedroom and 9-two bedroom units. The development is located at Harris Court and consists of 7 dwelling unit buildings. The total acreage of the site is 2.8 acres.

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 industryrecognized 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.

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

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.

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

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

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).

(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 reused 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 nonselected 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 nonfinancial.
 - (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. 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

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.

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.
- 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

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.

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 nonresidential 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

Proposal Submission Requirements

Each Firm is requested to submit a qualifications-based proposal providing information on the following items:

Letter of Interest: Proposal shall include a letter of interest briefly summarizing the Firm's qualifications and past experience relevant to conducting PCA for RAD projects. Provide a list of team members and identify a chief contact person. The letter should indicate a willingness to proceed expeditiously on the provision of services, if firm is selected.

Organizational Structure and Staffing: Provide a description of the Firm's organizational structure and staffing to include profiles of principals' and staffs' professional and technical competence, as well as experience, and the facilities that will be involved in the projects.

Previous Experience: Describe past performance in terms of quality of work and compliance with performance schedules.

Capability to Provide Professional Services: Describe the Firm's capability to provide professional services in a timely manner.

Knowledge of Local Building Codes, etc.: Demonstrate knowledge of local building codes, state building codes, and federal building alterations requirements.

Evidence of License in the State of North Carolina: Provide evidence that the Firm is currently registered in North Carolina to perform the requested services.

Errors and Omissions Insurance: Provide a certificate documenting coverage for Professional Errors & Omissions Liability Insurance with minimum limits of \$1 million per claim and \$2 million per aggregate for a period extending two years past the date of contract completion; General Liability Insurance of at least \$1 million per occurrence and \$1 million per aggregate covering the activities to be performed; Automobile Liability Insurance with coverage of at least \$500,000 per occurrence; and Worker's Compensation Insurance as required by the laws of the State of North Carolina.

Certification Regarding Debarment and Suspension: Provide an executed certified statement that your firm is not debarred, suspended, or otherwise prohibited from professional practice by any Federal, State, or Local agency, using form HUD-2992 Certification Regarding Debarment and Suspension (3/98) (**Attachment A**).

Certifications and Representations of Offerors Non-Construction Contract: Provide an executed Certifications and Representations of Offerors Non-Construction Contract, form HUD-5369-C (8/93) (**Attachment B**).

Non-Collusive Affidavit: Provide an executed Non-Collusive Affidavit (**Attachment C**).

References: Provide a minimum of three (3) references, to include names, addresses, and telephone numbers.

EVALUATION CRITERIA

All qualifications-based proposals submitted will be reviewed and evaluated by the Executive Director individuals designated by her, in accordance with the evaluation criteria identified below. SHA may reject any and all proposals. Proposals will be evaluated based on the following:

EVALUATION CRITERIA POINTS DEFINITIONS

Criteria 1. Evidence of training, designations, certifications, knowledge, and ability to perform the work - principals, staff, experience, facilities, technical, and professional competence - as required.

Training and experience evaluating building systems, health, and safety conditions, and physical and structural conditions; environmental expertise, and training and experience providing cost estimates for maintaining, rehabilitating, or improving deficiencies using both traditional and Green principles. <u>Must have required license(s)</u>	10 points
Designation of Leadership in Energy and Environmental Design Accredited Professional (LEED AP), in either the United States Green Building Council's	10 points

LEED New Construction and Major Renovation or the LEED Existing Building Maintenance and Operations examination tracks, or an equivalent designation.	
Knowledge of the requirements for the “green building” standard, 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. Completion of 10-hours of education in the last calendar year in the areas of Green Building, Sustainability, Energy Efficiency, or Indoor Air Quality. <u>Documentation of training and certification must be provided.</u>	10 points
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. <u>Certification must be provided.</u>	10 points
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.	10 points
Certified by QualityPro Green, GreenShield, EcoWise, or a substantially equivalent standard determined in Owner’s sole discretion or work performed by an employee who is licensed or certified by the state for residential pest control or be QualityPro Green certified (or possess another substantially equivalent certification determined in Owner’s sole discretion) <u>Certification must be provided.</u>	10 points
Trained to evaluate and treat the interior and exterior of multifamily structures for pest infestations, in accordance with Integrated Pest Management standards.	10 points

Criteria 2. Prior experience completing PCA for RAD or comparable projects.

Unacceptable (no knowledge):	0 points
Advantageous (good quality of work with one or more project(s): extension requests):	10 points

Criteria 3. Capability to complete the project inspection and prepare the report in a time frame acceptable to the Owner.

Unacceptable (never meets schedule, no approach provided):	0 points
--	----------

Advantageous (meets schedule of time, approach exhibits good merit):	5 points
--	----------

Criteria 4. Past performance – Acceptably completed written evaluation reports for similar types of multifamily rental housing projects and is well-regarded in the marketplace in terms of content, timeliness and responsiveness. (The contractor should have this personal experience, not just the company.)

Unacceptable (poor work quality, numerous project time extensions, does not meeting performance schedule):	0 points
Advantageous (good quality of work with one or less project time extension requests):	5 points

Criteria 5. Knowledge of applicable local, state, and federal statutes, regulations, and codes.

Unacceptable (no knowledge):	0 points
Advantageous (knowledgeable):	5 points

Criteria 6. 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.

Unacceptable (suspended or disbarred by HUD, or in legal action with HUD):	0 points
Advantageous (acceptable record with HUD):	5 points

Cost Not a Factor: This represents a Request for Qualifications and price/cost will not be considered in selecting the most qualified Firm(s). SHA will enter into a contract for PCA services outlined in this RFQ with the most qualified firm based upon the evaluation criteria.

SCHEDULE AND REQUIRED INFORMATION

Statement of Qualifications Due Date: SHA requests sealed qualifications-based proposals by **December 21, 2015 by 2:00 P.M. EST**, at SHA, 1000 Carthage Street, Sanford, North Carolina. Your Firm must provide five (5) copies of its Statement of Qualifications (SOQ). One (1) SOQ must be an original. SHA will date stamp all SOQs upon receipt to evidence such. Acknowledgement of receipt will be provided upon request. Faxed SOQ are not acceptable. Handwritten proposals will not be considered. All proposals must be bound in either a 3-ring binder or by other format. Rubber bands do not constitute an acceptable binding format. Responses should be addressed as follows:

Mailing Address:

**PCA SERVICES FOR SANFORD HOUSING AUTHORITY
RFQ #16-001**

Attention: Shannon McLean
Sanford Housing Authority
Executive Director
P.O. Box 636
Sanford, NC 27331

Physical Address:
PCA SERVICES FOR SANFORD HOUSING AUTHORITY
RFQ #16-001

Attention: Shannon McLean
Sanford Housing Authority
Executive Director
1000 Carthage Street
Sanford, NC 27330

Interpretation: Questions about how to interpret this RFQ may arise; and if so respondents should submit questions by **December 3, 2015, 5:00 p.m.** via email to smclean@sha-nc.org, attention Shannon McLean. SHA shall respond to all questions no later than **December 8, 2015, 5:00 p.m.** via an Addendum posted at www.sha-nc.org.

SHA reserves the right to amend the Scope of Work or Submission Requirements or any part of this RFQ, prior to or subsequent to the submission deadline. Should this become necessary, SHA shall issue a written amendment to all of those prospective Firms who were issued a copy of the RFQ. Based upon the nature and extent of the amendment, a date for submitting additional information will be established and provided to all respondents. Absent an amendment by SHA and minor omissions mentioned below, no modification to the Firm's submission shall be accepted after the submission deadline.

SHA's Options: All submissions in response to this request shall become the property of SHA. The attention of respondents is directed to the fact that the proposed work may be financed in whole or in part with federal funds, therefore, all applicable federal statutes, rulings, and regulations, including applicable prevailing wage rates will apply to such work. Final awards will be subject to available funds.

SHA will consider as NON-RESPONSIVE any Firm for which critical information is lacking or whose submission represents a substantial deviation from the requirement of the RFQ.

Withdrawal of Interest: Any Firm may withdraw his/her interest either personally, by written request or by telegraphic request at any time prior to the scheduled closing time of receipt of Qualification Statement.

Contact with SHA Staff, Board and Residents: Any contact between respondents and SHA staff, Board members, or residents during the selection process is disallowed, except as stated in the Interpretation section above.

Personnel: The procured Firm will not be considered SHA personnel; and SHA assumes the proposal of certain personnel to be a statement of their availability to perform the work.

Miscellaneous: This RFQ does not commit SHA to award a contract, pay any cost incurred in the preparation of a response to this request, or to procure or contract for services. SHA reserves the right to accept or reject any or all responses received as a result of this request, to waive any informalities, to negotiate with qualified consultants, or to cancel in part or in its entirety the RFQ if it is in the best interest of the SHA.

Equal Opportunity Programs: The awarded consultant hereby agrees to comply with the State Fair Employment Practices Act, The State's Minority Business Enterprise/Disabled Veterans Business Enterprise Program (MBE/WBE/DVBE), as well as the Equal Opportunity Program for Non-Construction Contractors doing business with housing authorities, and any other applicable federal and state laws and regulations. Those firms that are identified as a minority or women owned business enterprise (MBE/WBE/DVBE) must also submit current certification documents.

CONTRACT REQUIREMENTS:

It is SHA's intent to enter into a contract with the most qualified firm based upon the evaluation criteria listed in this RFQ. In addition, the selected firm must complete a Certification for a Drug-Free Workplace, form HUD-50070 (3/98) (**Attachment D**), Disclosure of Lobbying Activities SF-LLL (Rev. 7-97) (**Attachment E**), and Certification of Payments to Influence Federal Transactions, form HUD-50071 (3/98) (**Attachment F**) at the time of execution of the contract/agreement, and at the time the selected Firm executes any contract/agreement with any subcontractor to provide services. SHA will retain the executed original certification(s) together with the executed contract documents.

INSURANCE COVERAGE:

Provide a certificate documenting current coverage for the following: Professional Errors & Omissions Liability Insurance with minimum limits of \$1 million per claim and \$2 million per aggregate for a period extending two years past the date of contract completion; General Liability Insurance of at least \$1 million per occurrence and \$1 million per aggregate covering the activities to be performed; Automobile Liability Insurance with coverage of at least \$500,000 per occurrence; and Worker's Compensation Insurance as required by the laws of the State of North Carolina.

EXHIBIT 1

**PHYSICAL NEEDS ASSESSMENT GUIDANCE TO THE PROPERTY
EVALUATOR**

**FANNIE MAE
PHYSICAL NEEDS ASSESSMENT
GUIDANCE TO THE PROPERTY EVALUATOR**

**Used by Permission and Sublicense from Fannie Mae
Expected Useful Life Tables and Forms developed for Fannie Mae
by On-Site Insight of Needham, MA ©1991 On-Site Insight, Inc.
Use, Reproduction, and Distribution of these Materials may be Made
Solely in Connection with the Implementation of the
Multifamily Assisted Housing Reform and Accountability Act of 1997**

Introduction

While many factors affect the soundness of a mortgage loan over time, one of the most significant is the physical condition of the property - past, present and future. A prudent lender must be concerned with the past maintenance and improvements because they may indicate owner and management practices as well as expenses to be incurred in the future. The lender must be concerned with the condition of the property at the time the loan is made, and over the term of the loan, because property condition may directly impact marketability to prospective tenants and the need for major expenditures may impact the economic soundness and value of the property. The lender must also be concerned with the condition of the property at the end of the loan term. If the property has deteriorated, the owner may not be able to secure sufficient financing to pay off the loan at maturity.

Most lenders have always given some attention to physical conditions and needs of properties in their underwriting. However, the amount of attention, the data secured, the quality and analysis of that data, and the impact of this information on underwriting has varied widely. Indeed, many properties and the loans that they secure are now in trouble because of inadequate consideration of physical needs in the underwriting coupled with inadequate attention to property maintenance which has diminished the marketability and overall value of the property.

The guidance and forms in this package, together with the guidance provided to our lenders in our Delegated Underwriting and Servicing (DUS) and Multifamily Guides, is based upon a desire to see a more standardized approach to assessing the physical needs of properties that will be securing our loans. These documents attempt to respond to stated desires on the part of our lenders for a “level playing field” among competing lenders who may otherwise have different notions of the level of data and analysis required to assess a property’s physical condition. They also attempt to respond to the needs of property evaluators who, desiring to produce the quantity and quality of information deemed necessary, need specific guidance to avoid the appearance of glossing over problems or providing material which is too detailed or complex to be usable by the underwriters.

These documents are meant to provide useful guidance and tools to the evaluators. They cannot cover all situations and are not meant to be inflexible. They are designed to elicit the judgment of the evaluator (in a format which is useful to the underwriter), not to substitute for it. We welcome comments from evaluators in the field, as we did in developing this package, on improving either our forms or guidance so that this package can best serve the needs of both the evaluators and our lenders. If you have such comments, please contact the Office of Affordable Housing Preservation, U.S. Department of Housing and Urban Development, at resourcedeskweb@oahp.net.

Specific Guidance to the Property Evaluator

Purpose

The purpose of the Physical Needs Assessment is to identify and provide cost estimates for the following key items:

- Immediate Physical Needs - repairs, replacements and significant maintenance items which should be done immediately
- Physical Needs Over the Term - repairs, replacements and significant maintenance items which will be needed over the term of the mortgage and two years beyond.

As part of the process, instances of deferred maintenance are also identified.

The assessment is based on the evaluator's judgment of the actual condition of the improvements and the expected useful life of those improvements. It is understood that the conclusions presented are based upon the evaluator's professional judgment and that the actual performance of individual components may vary from a reasonably expected standard and will be affected by circumstances which occur after the date of the evaluation.

This package explains how to use the set of forms provided by Fannie Mae. It is important to recognize that the forms are intended to help the evaluator conduct a comprehensive and accurate assessment. They also present the results of that assessment in a relatively standard format which will be useful to the lender in making underwriting decisions. However, the forms should not constrain the evaluator from fully presenting his or her concerns and findings. The forms should be used and supplemented in ways which facilitate the preparation and presentation of information useful to the lender regarding the physical needs of the property.

The Systems and Conditions forms may be altered and/or computerized to serve the evaluators' needs so long as information is provided on the condition and Effective Remaining Life of all components and the Effective Remaining Life is compared to the standard Expected Useful Life (EUL). The Summary forms may also be extended or computerized so long as the basic format is maintained.

Terms of Reference Form

The lender completes this form for the evaluator. It serves as a reference point for the assessment and provides the evaluator with basic information about the property and the term of the loan. Four additional topics are covered:

- *Sampling Expectations* - The lender's expectations about the number and/or percentage of dwelling units, buildings and specialized systems to evaluate may be stated. If there is no stated expectation, the evaluator should inspect sufficient units, buildings, and numbers of specialized systems to state *with confidence* the present and probable future condition of each system at the property. The evaluator should provide a separate statement indicating the sampling systems used to ensure a determination of conditions and costs with acceptable accuracy. If a Sampling Expectation is provided by the lender which is not adequate to achieve the requisite level of confidence, the evaluator should so advise the lender.

Considerations in determining an adequate sample size are age and number of buildings (especially if the property was developed in phases), total number of units, and variations in size, type and occupancy of units. Effective sampling is based on observing a sufficient number of each significant category. Using the above criteria, categories could include *buildings by age of each building* (e.g. inspect buildings in the 8 year old phase and in the 11 year old phase), *buildings by type* (e.g. rowhouse, L-shaped rowhouse, walkup, elevator) and/or *buildings by construction materials* (e.g. inspect the garden/flat roof/brick walls section and the garden/pitched roof/clapboard walls section). Dwelling units are separate categories from buildings. At a minimum, sampling is by unit size (0/1/2/3/4 bedrooms). There may be further categories if units are differently configured or equipped, or have different occupants (especially family or elderly). Generally, we would expect the percentage of units inspected to decrease as the total number of units increases. Systems which are not unit specific, such as boilers, compactors, elevators and roofs, will often have a 100% sample.

The overriding objective: SEE ENOUGH OF EACH UNIT TYPE AND SYSTEM TO BE ABLE TO STATE WITH CONFIDENCE THE PRESENT AND PROBABLE FUTURE CONDITON.

- *Market Issues* - In certain instances, market conditions may necessitate action on certain systems. Examples are early appliance replacement or recarpeting, new entry paving, special plantings, and redecorated lobbies. If the owner or lender has identified such an action, the evaluator should include a cost estimation for such action and indicate what, if any, other costs would be eliminated by such action.
- *Work In Progress* - In some instances, work may be underway (which can be observed) or under contract. When known by the lender, this will be noted. For purposes of the report, such work should be assumed to be complete, unless observed to be unacceptable in quality or scope.

- *Management-Reported Replacements* - In some instances, the property ownership or management will provide the lender with information about prior repairs or replacements which have been completed in recent years. The lender may provide this information to the evaluator to assist in the assessment of these components. The evaluator should include enough units, buildings, or systems in the sample to reasonably verify the reported repairs or replacements.

Systems and Conditions Forms

It is the responsibility of the evaluator to assess the condition of every system which is present at a property. All conditions, except as noted below, requiring action during the life of the loan must be addressed regardless of whether the action anticipated is a capital or operating expense.

To assist evaluators in reviewing all systems at a property, four Systems and Conditions Forms are provided. Each lists a group of systems typically related by trade and/or location. The four forms are Site, Architectural, Mechanical and Electrical, and Dwelling Units. While the forms have several columns in which information may be recorded, *in many instances only the first three columns will be completed*. If the condition of a system is acceptable, the Effective Remaining Life exceeds the term of the mortgage by two years, and no action is required, no other columns need to be completed.

The report is not expected to identify minor, inexpensive repairs or other maintenance items which are clearly part of the property owner's current operating pattern and budget so long as these items appear to be taken care of on a regular basis. Examples of such minor operating items are occasional window glazing replacement and/or caulking, modest plumbing repairs, and annual boiler servicing. However, the evaluator *should* comment on such items in the report if they do not appear to be routinely addressed or are in need of immediate repair.

The report is expected to address infrequently occurring "big ticket" maintenance items, such as exterior painting, all deferred maintenance of any kind, and repairs or replacements which normally involve significant expense or outside contracting. While the evaluator should note any environmental hazards seen in the course of the inspection, environment-related actions, such as removal of lead-based paint, will be addressed in a separate report prepared by an environmental consultant.

Using the Systems and Conditions Forms

Purpose

The forms can be used both to record actual observations at a specific location and for an overall summary. For example, the Architectural form can be used for a specific building (or group of identical buildings) as well as for summarizing all information for buildings at a property. The same is true for the Dwelling Unit form. An unlabeled form is included which can be used as a second page for any of the Systems and Conditions Forms.

In some instances, the evaluator will note components which, while they may continue to be functional, may reduce marketability of the property. For example, single-door refrigerators or appliances in outmoded colors may have such an impact in some properties. The evaluator should note these items, discuss them with the lender, and provide separate estimates of the cost to replace such items if requested.

Items (EUL)

Each of the four forms has a number of frequently-occurring systems and components listed. This list represents only the most frequently observed and is not meant to be all inclusive. *Every system present at the property must be observed and recorded.* Any system not listed on the form may be included in the spaces labeled Other. Note that the assessment includes the systems and components in both residential and non-residential structures. Thus, garages, community buildings, management and maintenance offices, cabanas, pools, commercial space, and other non-residential buildings and areas are included.

The Expected Useful Life (EUL) figure which appears in parentheses after the Item is taken from the Expected Useful Life Table provided. This table provides standard useful lives of many components typically found in apartment complexes. Where the parentheses do not contain a number, it is because there are various types of similar components with differing economic lives. The evaluator should turn to the Expected Useful Life Table and select, and insert, the appropriate Expected Useful Life (EUL) number. If the Expected Useful Life (EUL) will, without question, far exceed the term of the mortgage plus two years, the Expected Useful Life (EUL) number need not be inserted.

Note: It is recognized that the Expected Useful Life Tables represents only one possible judgment of the expected life of the various components. If we receive substantial material to the effect that one or more of the estimates are inappropriate, we will make adjustments. Until such changes are made, the Tables provide a useful and consistent standard for all evaluators to use. They avoid debate on what the appropriate expected life is and permit focus on the evaluator's judgment of the effective remaining life of the actual component in place, as discussed below.

Age

The evaluator should insert the actual Age of the component or may insert “OR” for original. If the actual age is unknown, an estimate is acceptable. If there is a range in Age (for example, components replaced over time), the evaluator may note the range (i.e., 5-7 years) or may use several lines for the same system, putting a different Age of that system on each line.

Condition

This space is provided to indicate the Condition of the component, generally excellent, good, fair, or poor, or a similar and *consistent* qualitative evaluation.

Effective Remaining Life

This space is provided for the evaluator to indicate the remaining life of the component as is. For standard components with standard maintenance, the Expected Useful Life Table provided by the Lender could be used to determine Effective Remaining Life by deducting the Age from Expected Useful Life (EUL). However, this should not be done automatically. A component with unusually good original quality or exceptional maintenance could have a longer life. On the other hand, if the component has been poorly maintained or was of below standard original quality, the useful life could be shorter than expected. *The evaluator applies his or her professional judgment in making a determination of the Effective Remaining Life.*

If the Effective Remaining Life *is longer than the term of the loan plus two years, no deferred maintenance exists, and no action needs to be taken during the life of the loan, no other columns need to be filled out.* The only exception may be Diff? (Difference), as discussed below. This should be noted when the evaluator’s estimate of the Effective Remaining Life varies by more than two years from the standard estimate.

Diff? (Difference)

The Age of the component should be deducted from the Expected Useful Life (EUL) in parentheses and the answer compared to the Effective Remaining Life estimated by the evaluator. Where there is a difference of over two years, the evaluator should insert a footnote number in the DIFF? (Difference) column and supply, in an attached list of footnotes, a brief statement of why, in his or her judgment, the Effective Remaining Life of the component varies from the standard estimate. This approach provides consistency among evaluators while making best of the evaluators’ professional judgment.

Action

If any Action is required - immediately, over the life of the loan, or within two years thereafter - the Action should be recorded as *repair, replace, or maintain*. Repair is used when only a part of an item requires action, such as the hydraulics and/or controls of a

compactor. Replace is used when the entire item is replaced. Maintain is used where special, non-routine maintenance is required, such as the sandblasting of a swimming pool. In cases where a repair or maintenance may be needed now, and replacement or further maintenance may be needed later, separate lines may be used to identify the separate actions and timing.

Now?

If the item involves a threat to the immediate health and safety of the residents, clearly affects curb appeal, will result in more serious problems if not corrected, or should otherwise be accomplished as part of an immediate repair, maintenance or replacement program, this space should be checked. Replacements which may be needed in year one, but do not require immediate attention, need not be checked.

DM (Deferred Maintenance)

The DM (Deferred Maintenance) space is marked in any instances where current management practice is clearly inadequate and the owner's attention should be called to the item, even if no major expenditure or significant labor may be required.

Quantity

For items requiring action, the evaluator should note the Quantity of the system, with the applicable unit of measure entered (each, unit, square feet, square yards, linear feet, lump sum, etc.).

Field Notes

This space, as well as attachments may be used to record the type of component (16cf, fros. free, Hotpoint), the problem (valves leaking) or other information (consider replacement for marketing purposes, replace 30% per year, work in progress, etc.) that the evaluator will need to complete the Evaluator's Summary.

Sample Form

The following example from the Dwelling Unit Systems and Conditions form illustrates how this form is properly used. The example presumes an 11 story building containing 1 and 2 bedroom units. There are 100 units. The age of the building is 9 years. The term of the proposed loan is 7 years.

ITEM (EUL)	AGE	COND	ERL	DIFF ?	ACTION	NOW ?	DM ?	QUANTITY	NOTES
Countertop/Sink (10)	9	EX	10+	1	-	-	-	- ea.	Corian Stainless Steel
Refrigerator (15)	9	Good	6	-	REPL	-	-	100ea	Hot point 16cf. ff 20%/yr @ YR 5
Disposal (5)	0-9	Good	0-5	-	REPL	-		100ea	20%/yr. @ YR. 1 OPTE
Bath Fixtures (20)	9	Good	11+	-	-	-	-	-	Dated Looking Repair - Now
Ceiling 04 stack ()	9	Hater Damage	-	-	Repair	Yes	-	10ea	Plumbing Leak

Countertop/sinks are 9 years old. (The entry could also be "OR"). Condition is excellent, with an Effective Remaining Life of 10 years. This is significantly different from the anticipated Effective Remaining Life of 1 (an EUL of 10 years minus an Age of 9 years). Therefore, there is a footnote entry "1" in the Diff? (Difference) column. The footnote will indicate that this item is made of an exceptionally durable material (Corian), along with a top quality stainless steel sink. The evaluator's estimate of an Effective Remaining Life of 10 years + is beyond the term of +2. No capital need would be reported.

Refrigerators are also original, reported as 16 cf frost free Hotpoints. Replacement is expected around the Effective Remaining Life, noted as 20% annually and beginning in the 5th year of the loan when the refrigerators are 14 years old.

Disposals range from new to original (Age = 0-9). 20% per year replacements will be needed starting in year 1. The evaluator notes that disposals appear to be replaced as part of the project's normal operations.

Bath fixtures are original, and in good condition. No replacement is expected to be required during the term +2 years. The note indicates that they are "dated looking," which may prompt a market consideration for replacement.

Ceiling is a special entry. The "04" stack of units has experienced water damage to ceiling from major plumbing leak. This is noted for repair NOW. As this apparently occurs in all 10 units in this stack and therefore is likely to have more than a modest cost, this action would be reported on the Immediate Physical Needs summary form.

Evaluator's Summary Forms

Two separate forms are used to summarize the evaluator's conclusions from the Systems and Conditions Forms. One summarizes Immediate Physical Needs and the other summarizes the Physical Needs Over The Term +2 years.

Evaluator's Summary: Immediate Physical Needs

All of the items for which Now? is checked are transferred to this form. This form provides for the listing of Items, Quantity, Unit Cost and Total Cost of each. The Item and Quantity are transferred directly from the Systems and Conditions Form.

Unit Cost - This is the cost per unit (sf, ea, lf, etc.) in current dollars to implement the required action. The source of the cost estimate should be listed in a separate attachment. The sources may include a third-party estimation service (e.g., R.S. Means: *Repair and Remodeling Cost Data*), actual bid or contract prices for the property, estimates from contractors or vendors, the evaluator's own cost files, or published supplier sources.

Total Cost - This is the result of multiplying the quantity times the unit cost. It is expressed in current year dollars.

DM (Deferred Maintenance) - If the item evidences deferred maintenance, this column is checked.

Comments - the comments column, or an attachment, should clearly provide information on the location and the nature of problem being addressed for each item. The information should be adequate for the owner to begin to implement the action.

Evaluator's Summary: Physical Needs Over the Term

Those items not listed on the Immediate Physical Needs form, but for which action is anticipated during the term of the loan plus two years, are listed on the form. The item and Quantity are transferred directly from the Systems and Conditions Form. The Unit Cost is calculated in the same manner as on the Immediate Physical Needs Form. An attachment should be provided which gives any necessary information on the location of action items and the problem being addressed for each item. The information should be adequate for the owner to begin to implement the action.

Cost by Year - the result of multiplying the quantity times the unit cost, in current dollars, is inserted in the column for the year in which the action is expected to take place. Generally, the Effective Remaining Life estimate provided by the evaluator on the Systems and Conditions will indicate the action year. For example, if the evaluator has indicated that the Effective Remaining Life of the parking lot paving is 4 years, the cost, in current dollars, is inserted in Year 4. If the items are likely to be done over a number of years, the costs, in current dollars should be spread over the appropriate period. For example, if the Effective Remaining Life of the Refrigerators is estimated to be 4 years,

or 3-5 years, one third of the cost of replacing the refrigerators may appear in each of Years 3, 4, and 5.

Total Uninflated - After inserting all of the appropriate action items, the evaluator should total the items for each year.

Total Inflated - The evaluator should multiply the Total Uninflated times the factor provided to produce the Total Inflated.

Total Inflated All Pages - On the last sheet, the evaluator should include the Total Inflated Dollars for that page and all prior pages.

Cumulative Total All Pages - On the last sheet, the evaluator should insert the Total Inflated Dollars of that year and all prior years.

Special Repair and Replacement Requirements

While performing a property inspection, the evaluator must be aware that certain building materials and construction practices may cause properties to experience (or to develop in a short time period) problems that can be corrected only with major repairs or replacements. The following identifies some specific construction related problems; however, the evaluator must be aware that other construction related problems may be found in any property and should be identified. If any of the following requirements are not met or if the evaluator determines that the following conditions (or others) are present, *the evaluator must contact the lender immediately to discuss the timing as well as the cost of the repairs or replacements.* The evaluator should ensure that any of these conditions are thoroughly addressed in the Physical Needs Assessment.

Minimum Electrical Capacity - Each apartment unit must have sufficient electrical capacity (amperage) to handle the number of electrical circuits and their use within an apartment. Therefore, the evaluator must determine, based on referencing the National Electric Code as well as local building codes, what is the minimum electrical service needed. In any event, that service must not be less than 60 amperes.

Electrical Circuit Overload Protection - All apartment unit circuits, as well as electrical circuits elsewhere in an apartment complex, must have circuit breakers as opposed to fuses as circuit overload protection.

Aluminum Wiring - In all cases, where aluminum wiring runs from the panel to the outlets of a unit, the evaluator's inspection should ascertain that the aluminum wiring connections (outlets, switches, appliances, etc.) are made to receptacles rated to accept aluminum wiring or that corrective repairs can be done immediately by the owner.

Fire Retardant Treated Plywood - While performing the roof inspection, the evaluator should investigate whether there is any indication that fire-retardant treated plywood was

used in the construction of the roof (primarily roof sheathing). This inspection should focus on sections of the roof that are subjected to the greatest amount of heat (e.g., areas that are not shaded or that are poorly ventilated) and, if possible, to inspect the attic for signs of deteriorating fire-retardant treated plywood or plywood that is stamped with a fire rating.

Our concern is that certain types of fire-retardant treated plywood rapidly deteriorate when exposed to excessive heat and humidity or may cause nails or other metal fasteners to corrode. Common signs of this condition include a darkening of the wood and the presence of a powder-like substance, warping of the roof and the curling of the shingles. Fire-retardant treated plywood is most likely to be in townhouse properties or other properties with pitched, shingled roofs that were constructed after 1981 and that are located in states east of the Mississippi River and some southwestern states.

Narrative Conclusion and Attachments

A complete narrative summary of the property and its components is not required. However, the evaluator should supply a concise summary of the conclusions reached concerning the overall condition of the property, its future prospects, and the quality of the current maintenance programs. *Any items affecting the health and safety of residents should be clearly flagged.*

The summary should include a discussion of the sampling approach used, discussed above, and any market issues which the evaluator believes it may be appropriate to address or which were noted by the lender.

The narrative, the forms use and the attachments (footnotes explaining Differences, information regarding sources of costs, and, if necessary, information needed to identify the location and type of problem addressed in the Evaluator's Summary: Physical Needs Over the Term) should be supplied.

EXPECTED USEFUL LIFE TABLES

Forms and Expected Useful Life Tables developed for Fannie Mae
by On-Site Insight of Needham, MA

EXPECTED USEFUL LIFE TABLE				
		Family Development	Elderly Development	Action
SITE SYSTEMS			“Action” equals replace unless other wise noted	
NOTE: 50+ “long-lived” systems: EUL based on location and use specific conditions				
Basketball Courts		15	25	Fence Only
Built Improvements (playgrounds/site furniture)		20	20	
Catch Basin		40	40	
Cold Water Lines		40	40	
Compactors		15	15	
DHW/Supply/Return		30	30	
Dumpsters		10	10	
Dumpster Enclosure		10	10	
Earthwork		50+	50+	
Electrical Distribution Center		40	40	
Emergency Generator		15	15	
Fencing				
	Chain Link	40	40	
	Wrought Iron	50+	50+	
	Stockade/Basinweave	12	12	
	Post and Rail	25	25	
Gas Lines		40	40	
Heating Supply/Return		40	40	
Incinerators		50+	50+	
Irrigation System		30	30	
Lift Station		50	50	
Mail Facilities		10	10	
Landscaping		50+	50+	
Parking				
	Asphalt	25	25	Resurface
	Gravel	15	15	Resurface
Pedestrian Paving		15	15	Resurface
	Bimminors	15	15	
	Concrete	30	30	
Retaining Walls				
	Concrete	20	20	Fill Cracks/Repoint
	Masonry	15	15	Fill Cracks/Repoint
	Wood	15	15	Replace
	Stone	15	15	Fill Cracks/Repoint
Roadways				
	Asphalt (Sealing)	5	5	Seal
	Asphalt	25	25	Resurface
	Gravel	15	15	Resurface (grade and gravel)
Sanitary Treatment		40	40	
Site Electrical Main		40	40	
Site Gas Main		40	40	
Site Lighting		25	25	
Site Power Distribution		40	40	
Site Sanitary Lines		50+	50+	
Site Sewer Main		50+	50+	
Site Water Main		40	40	
Storm Drain Lines		50+	50+	
Swimming Pool - Deck		15	15	Resurface Deck
	Mechanical Equipment (filter/pump/etc.)	10	10	
Tennis Courts		15	15	Resurface
Transformer		30	30	
Water Tower		50+	50+	

EXPECTED USEFUL LIFE TABLE

	Family Development	Elderly Development	Action
BUILDING ARCHITECTURE			
NOTE: 50+ = "long-lived" systems: EUL based on location and use-specific conditions			
Appurtenant Structures			
Porches	50	50	Paint at 5 years
Wood Decks	20	20	Paint at 5 years
Storage Sheds	30	30	Paint at 5 years
Greenhouses	50	50	
Carports	40	40	
Garages	50+	50+	
Basement Stairs	50+	50+	
Building Mounted Exterior Lighting	6	10	
Building Mounted HID Lighting	6	20	
Bulkheads	30	30	
Canopies			
Wood/Metal	40	40	Replace
Concrete	20	20	Re-roof
Ceilings, Exterior or Open	5	5	Paint
Chimney	25	25	Point
Common Area Doors (fire/hall/closet/etc.)	50+	50+	
Common Area Floors			
Ceramic/Quarry Tile/Terrazzo	50+	50+	Replace
Wood (strip or parquet)	30	30	Replace Portion/Sand and Finish
Resilient Flooring (tile or sheet)	15	15	Replace
Carpet	7	7	Replace
Concrete	50+	50+	Replace
Common Area Railings	50+	50+	
Common Area Ceilings			
Concrete/Drywall/Plaster	50+	50+	Replace (paint 5-8 years)
Acoustic Tile	20	20	Replace
Common Area Countertop & Sink	20	20	
Common Area Dishwasher	15	15	
Common Area Disposal	5	5	
Common Area Walls	50+	50+	Replace (paint 5-8 years)
Exterior Common Doors			
Aluminum and Glass	30	30	Door only
Solid Core (wood or metal)	25	25	Door only
Amo	15	30	Door and mechanism
Exterior Stairs			
Wood	30	30	Replace
Filled Metal Pan	20	20	Replace
Concrete	50+	50+	Replace
Exterior Unit Doors	25	25	
Exterior Walls			
Aluminum Siding	15	15	Prep and Paint
Brick or Block	40	40	Repoint
Brownstone/Stone Veneer	20	20	Waterproof and Caulk
Glass Block	15	15	Recaulk
Granite Block	40	40	Repoint
Metal/Glass Curtain Wall	10	10	Recaulk
Pre-cast Concrete Panel	15	15	Recaulk
Vinyl Siding	30	30	Replace
Wood shingle, Clapboard, Plywood, Stucco	5	5	Prep and Paint/Stain
Fire Escapes	40	40	Resecure
Foundations	50+	50+	

EXPECTED USEFUL LIFE TABLE			
	Family Development	Elderly Development	Action
Hatches/Skylights			New Door and Pointing
Access Hatch	30	30	
Smoke Hatch or Skylight	50+	50+	
Insulation/Wall	50+	50+	
Interior Lighting	25	25	
Interior Railings	50+	50+	
Kitchen Cabinets	20	20	
Local HVAC			
Electrical Fan Coil	20	20	
Electric Heat/Electrical AC	15	15	
Gas Furnace With Split DX AC	20	20	
Heat Pump w/ Supplementary Electrical	15	15	
Heat Pump, Water Source	20	20	
Hydronic Fan Coil	30	30	
Hydronic Heat/Electrical AC	20	20	
Mail Facilities	10	30	
Parapet Wall	50+	50+	
Penthouse	25	25	
Public Bathroom Accessories	7	7	
Public Bathroom Fixtures	15	15	
Radiation			Paint
Hydronic (baseboard or freestanding)	50	50	
Electric Baseboard	25	25	
Electric Panel	20	20	
Railings Roof	10	10	
Refrigerator, Common Area	15	15	
Residential Glass Doors			
Sliding	15	15	
Atrium/French	30	30	
Roof Covering			New Gutters
Aluminum Shingles	40	40	
Asphalt Shingles	20	20	
Built-up (BUR)	20	20	
Membrane	20	20	
Metal (pre-formed)	40	40	
Slate, Tile, Clay, or Concrete Shingles	50+	50+	
Wood Shingles	20	20	
Roof Drainage Exterior (gutter and fascia)	25	25	
Roof drainage Interior (Drain Covers)	50+	50+	
Roof Structure	50+	50+	Paint Replace
Slab	50+	50+	
Service Doors	25	25	
Soffits			
Wood / Stucco / Concrete	5	5	
Aluminum or Vinyl	25	25	
Stair Structure	50+	50+	
Storm/Screen Doors	7	15	
Storm/Screen Windows	20	20	
Waterproofing Foundation	50+	50+	
Window Security	40	40	
Windows (Frames and Glazing)	30	30	
Wood Floor Frame	50+	50+	

EXPECTED USEFUL LIFE TABLE			
	Family Development	Elderly Development	Action
DWELLING UNITS			
NOTE: 50+ = "long-lived" systems: EUL based on location and use-specific conditions			
Bath Accessories	10	15	
Bath Fixtures (Sink, toilet, tub)	20	20	
Closet Doors	10	20	
Countertop and Sink	10	20	
Dishwasher	10	15	
Disposal	5	8	
Electric Fixtures	20	20	
Hallway Door	30	50	Door Only
Heat Detectors	20	20	
Interior Door	30	50	Door Only
Interior Stairs	50+	50+	
Kitchen Cabinets	20	25	
Living Area Ceilings			
Concrete/Drywall/Plaster	50+	50+	Replace (Paint at 5-8 years)
Acoustic Tiles	20	20	
Living Area Floors			
Ceramic/Quarry Tile/Terrazzo	50+	50+	Replace
Wood (strip or parquet)	30	30	Replace Portion/Sand and Finish
Resilient Flooring (tile or sheet)	15	20	Replace
Carpet	7	10	Replace
Concrete	50+	50+	Replace
Living Area Walls	50+	50+	Replace (Paint at 5-8 years)
Local HVAC			
Electric Fan Coil	20	20	
Electric Heat/Electric AC	15	15	
Evaporative Condenser ("swamp cooler")	20	20	
Gas furnace With Split DX AC	20	20	
Heat Pump w/ Supplementary Electric	15	15	
Heat Pump, Water Source	20	20	
Hydronic Fan Coil	30	30	
Hydronic Heat/Electric AC	20	20	
Range	15	20	
Rangehood	15	15	
Refrigerator	15	15	
Smoke/Fire Detectors	10	10	
Unit Air Conditioning (Window)	15	15	
Unit Electric Panel	50+	50+	
Unit Level Boiler	25	25	
Unit Buzzer/Intercom	20	30	
Unit Level DHW	10	10	
Unit Level Hot Air Furnace	25	25	
Unit Radiation			
Hydronic or Steam (baseboard or freestanding)	50	50	
Electric Baseboard	25	25	
Unit Vent/Exhaust	15	15	
Unit Wiring	99	99	
Vanities	20	20	
Window Covering	3-20	3-25	Material/User Specific

EXPECTED USEFUL LIFE TABLE			
	Family Development	Elderly Development	Action
MECHANICAL/ELECTRICAL			
NOTE: 50+ = "long-lived" systems: EUL based on location and use specific conditions			
Central Unit Exhaust, Roof Mounted	15	15	
Chilled Water Distribution	50+	50+	
Chilling Plant	15	25	
Compactor	15	15	
Cooling Tower	25	25	
Electrical Switchgear	50+	50+	
Electrical Wiring	50+	50+	
Elevator, Controller/Dispatcher	15	20	
Elevator, Cab	15	20	Rebuild Interior
Elevator, Machinery	30	30	
Elevator, Shaftway Doors	20	30	Replace Gibs and Rollers
Elevator, Shaftways			
Hoist Rails, Cables, Traveling Equipment	25	25	
Hydraulic Piston and Leveling Equipment	25	25	Re-sleeve Piston
Emergency Call Alarm System, Station	15	15	
Emergency Generator	35	35	
Emergency Lights	10	10	Battery operated
Evaporative Cooler	15	15	
Fire Pumps	20	20	Pump Motor
Fire Suppression	50+	50+	Piping
Gas Distribution	50+	50+	Piping
Heat Sensors	15	15	
Heating Risers and Distribution	50+	50+	
Heating Water Controller	15	15	
Hot and Cold Water Distribution	50	50	
HVAC			
Cooling Only	15	15	
Heat Only	15	15	
Heating and Cooling	15	15	
Master TV System	15	15	
Outdoor Temperature Sensor	10	10	
Sanitary Waste and Vent System	50+	50+	
Sewage Ejectors	50	50	
Buzzer/Intercom Central Panel	15	15	
Smoke & Fire Detection System, Central Panel	15	15	
Sump Pump			
Residential	7	7	Replace
Commercial	15	15	Replace Motor
Water Softening and Filtration	15	15	
Water Tower	50+	50+	
Boiler Room Equipment			
Blowdown and Water Treatment	25	25	
Boiler Room Pipe Insulation	With Boiler	With Boiler	
Boiler Room Piping	With Boiler	With Boiler	
Boiler Room Valves	15	15	Repack Valves
Boiler Temperature Controls	With boiler	With boiler	
Boilers			
Oil-fired Sectional	22	22	
Gas or Dual-fuel-fired Sectional	25	25	
Oil Gas or Dual-fuel-fired Package, Low MBH	30	30	

EXPECTED USEFUL LIFE TABLE			
	Family Development	Elderly Development	Action
MECHANICAL/ELECTRICAL (continued)			
Oil Gas or Dual-fuel-fired Package, High MBH	40	40	
Gas-fired Atmospheric	25	25	
Electric	20	20	
Bottled Gas Storage	20	20	
Building Heating Water Temperature Controls			
Residential	12	12	
Commercial	15	15	
Combustion Air			
Duct with Fixed Louvers	50+	50+	Replace
Motorized Louver and Duct	25	25	Replace Motor
Make-up Air	25	25	Replace Fan/Preheater
Compressors	15	15	
Condensate and Feedwater			
Feedwater Only (Hydronic)	10	10	
Condensate and Feedwater (Steam)	With Boiler	With Boiler	
DHW Circulating Pumps	By Size	By Size	
DHW Generation			
Tank Only, Dedicated Fuel	10	10	
Exchanger in Storage Tank	15	15	
Exchanger in Boiler	15	15	
External Tankless	15	15	
Instantaneous	10	10	
DHW Storage Tanks			
Small (up to 150 gallons)	12	12	Replace
Large (over 150 gallons)	7	7	Point Tank Lining
Domestic Cold Water Pumps	15	15	
Fire Suppression	50+	50+	
Flue Exhaust	With Boiler	With Boiler	
Free Standing Chimney	50+	50+	
Fuel Oil Storage	25	25	
Fuel Transfer System	25	25	
Heat Exchanger	35	35	
Heating Water Circulating Pumps	By size	By size	
Line Dryers	15	15	
Motorized Valves	12	12	
Outdoor Temp Sensor	10	10	
Pneumatic Lines & Controls	30	30	
Purchased Steam Supply Station	50+	50+	
Solar Hot Water	20	20	Replace Collector Panels

Rental Assistance Demonstration Program Environmental Restrictions Checklist

Project Name and Location (Street, City, County, ST, Zip Code):	Owner Name, Address (Street, City, ST, Zip Code), and Phone:	
Project Description:		
ENVIRONMENTAL REVIEW FINDINGS	YES	NO
FLOOD PLAIN		
Is the project located in a FEMA Special Flood Hazard Area? (Current flood plain maps should be found in each HUD field office or call FEMA at 1-877-FEMA-MAP, FEMA's web site URL is www.fema.gov/FHM/)		
Identify Map Panel and Date		
Does the project currently carry Flood Insurance?		
Do any structures appear to be within or close to the floodplain? (If yes and if the project does not currently carry flood insurance, flood insurance is required.)		
HISTORIC PRESERVATION (If yes, identify relevant restrictions below.)		
Is the property listed on the National Register of Historic Places?		
Is the property located in a historic district listed on the National Register of Historic Places?		
Is the property located in a historic district determined to be eligible for the National Register?		
AIRPORT HAZARDS		
Is the project located in the clear zone of an airport? (24 CFR Part 51 D. If yes, Notice is required.)		
HAZARDOUS OPERATIONS		
Is there any evidence or indication of manufacturing operations utilizing or producing hazardous substances (paints, solvents, acids, bases, flammable materials, compressed gases, poisons, or other chemical materials) at or in close proximity to the site?		
Is there any evidence or indication that past operations located on or in close proximity to the property used hazardous substances or radiological materials that may have been released into the environment?		
EXPLOSIVE/FLAMMABLE OPERATIONS/STORAGE (24 CFR Part 51C)		
Is there visual evidence or indicators of unobstructed or unshielded above ground storage tanks (fuel oil, gasoline, propane etc.) or operations utilizing explosive/flammable material at or in close proximity to the property?		
FOR YES RESPONSES, SUMMARIZE RESTRICTIONS BELOW:		

RENTAL ASSISTANCE DEMONSTRATION PROGRAM ENVIRONMENTAL RESTRICTIONS CHECKLIST

ENVIRONMENTAL REVIEW FINDINGS	YES	NO
TOXIC CHEMICALS AND RADIOACTIVE MATERIALS		
Petroleum Storage		
Is there any evidence or indication of the presence of commercial or residential heating activities that suggest that underground storage tanks may be located on the property?		
If yes, are any such tanks being used? If yes, indicate below whether the tank is registered, when it was last tested for leaks, the results of that test, and whether there are any applicable state or local laws that impose additional requirements beyond those required under federal law.		
Are there any out-of-service underground fuel storage tanks? If yes, indicate whether the tank was closed out in accordance with applicable state, local and federal laws.		
Is there any evidence or indication that any above ground storage tanks on the property are leaking?		
Polychlorinated Biphenyls (PCB)		
Is there any evidence or indication that electrical equipment, such as transformers, capacitors, or hydraulic equipment (found in machinery and elevators, installed prior to July 1, 1884) are present on the site?		
If yes, is any such equipment (a) owned by anyone other than a public utility company; and (b) not marked with a "PCB Free" sticker?		
If yes, indicate below whether such equipment has been tested for PCBs, the results of those tests, and (if no testing has been performed) the proposed testing approach. (Electrical equipment need not be tested but will be assumed to have PCBs)		
If PCBs are found in non-electrical equipment over 50ppm it must be replaced or retrofitted, otherwise any equipment with PCBs or assumed to have PCBs require an O&M Plan.		
Asbestos Containing Materials (ACM)		
Is there any evidence or indication of ACM insulation or fire retardant materials such as boiler or pipe wrap, ceiling spray, etc. within the buildings on the property? If yes, the property is required to have an Operations and Maintenance Plan for asbestos containing materials.		
Lead Based Paint		
Are there residential structures on the property that were built prior to 1978?		
If yes, has the property been certified as lead-free?		
If property has not been certified as lead-free, has a Risk Assessment been completed?		
If yes, has the owner developed a plan including Interim Controls to address the findings of the Risk Assessment including Tenant notifications and an Operations and Maintenance plan?		
If yes, has a qualified Risk Assessor reviewed the Owner's plan and O&M plan for compliance with 24 CFR 35?		
EASEMENT AND USE RESTRICTIONS		
Are there easements, deed restrictions or other use restrictions on this property? (e.g. oil and gas well pumping, transformer boxes/units, navigation, microwave, rights of way (ROW), for hi-voltage power transmission lines, interstate/intrastate gas and liquid petroleum pipelines, etc.)		
FOR YES RESPONSES, SUMMARIZE RESTRICTIONS BELOW:		
<p align="center">If you have questions, please call or E-mail the HUD Housing Environmental Clearance Officer, Eric Axelrod at Eric.Axelrod@HUD.GOV or 202-708-1104 x 2275.</p>		

**Rental Assistance Demonstration (RAD)
Accessibility Law Compliance
Summary of HUD's Responsibility Laws
*ARCHITECTURAL BARRIERS***

Code of Federal Regulations Number	Act/Section Application	Uniform Federal Accessibility Standards Apply (USFAS)*	Accessibility Requirements
42 USC 4151-4157	<p>Certain buildings financed with Federal funds are so designed and constructed as to be accessible to the physically handicapped.</p> <p>Projects financed with Federal funds including:</p> <ul style="list-style-type: none"> • Section 202/811 capital advances • All newly constructed low-income public housing projects or; • Public housing projects undergoing rehabilitation financed by Comprehensive Improvement Assistance Program (CIAP) funds. 	Yes	

**Rental Assistance Demonstration (RAD)
Accessibility Law Compliance
Summary of HUD's Responsibility Laws**

SECTION 504 OF THE REHABILITATION ACT OF 1973

Code of Federal Regulations Number	Act/Section Application	Uniform Federal Accessibility Standards Apply (USFAS)*	Accessibility Requirements
24 CFR Part 8	<p>Projects receiving Federal financial assistance including:</p> <ul style="list-style-type: none"> • Section 202/811 capital advances • Section 8 project based assistance • Newly constructed public housing projects or; • Public housing projects undergoing rehabilitation financed by Comprehensive Improvement Assistance Program (CIAP) funds. 	Yes	<p>New Construction (24 CFR 8.22 (6)):</p> <ul style="list-style-type: none"> • 5% or a minimum of one dwelling unit (DU) must meet <u>mobility</u> <u>impairment</u> regulations • An additional 2% or a minimum of one DU must meet <u>hearing and</u> <u>visual</u> <u>impairment</u> regulations <p>Substantial Alteration (24 CFR 8.32(a)):</p> <ul style="list-style-type: none"> • Buildings undergoing substantial alteration are only affected if they contain 15 or more DU and the cost of the alterations is 75% or more of the replacement cost. <p>Other Alterations / Clarifications (25 CFR 8.23(b)):</p> <ul style="list-style-type: none"> • Regulation states that alterations "shall to the maximum extent feasible, be made to be readily accessible to and usable by individuals with handicaps. <i>NOTE: This also applies to alterations to common parts of facilities that affect accessibility of existing housing facilities.</i> • Alterations to DUs or common areas that affect accessibility of existing housing facilities must be completed to allow access for all persons. • Owners and sponsors are not required to make the prescribed alterations if doing so would impose an undue financial or administrative burden on the operation of the multifamily housing project. • If alterations, when considered together, to single elements or spaces of a DU, amount to an alteration of a DU, the entire unit must be made readily accessible. • If 5% of DU are readily accessible to the <u>mobility impaired</u>, no further alterations are necessary. This section is silent on visual/hearing impairments. However, additional requirements to include these may be prescribed by the field office. <p>(24CFR 8.23(b)(2))</p>

**Rental Assistance Demonstration (RAD)
Accessibility Law Compliance
Summary of HUD's Responsibility Laws
FAIR HOUSING AMENDMENTS ACT OF 1988**

Code of Federal Regulations Number	Act/Section Application	Uniform Federal Accessibility Standards Apply (USFAS)*	Accessibility Requirements
	24 CFR Part 100	No	<ul style="list-style-type: none"> • At least one unit must be on an accessible route unless impractical due to terrain. (24 CFR 100.205(a)) • All public and common use areas must be accessible. (24 CFR 100.205(c)(1)) • All external and internal doors must be wide enough to accommodate wheel chair access. (24 CFR 100.205 (c)(21)) • All dwelling units must contain the following features of adaptable design: <ul style="list-style-type: none"> ◊ Accessible route into and through the DU (24 CFR 100.205 (C)(3)(i)) ◊ Light switches in accessible locations (24 CFR 100.205 (C)(3)(ii)) ◊ Reinforcements in bathroom walls for grab bars and; (24 CFR 100.205 (C)(3)(iii)) • Usable kitchens and bathrooms for persons in wheelchairs (24 CFR 100.205 (C)(3)(iv))

In addition to the inspection of the units, we inspected the interior and exterior areas of the property for evidence of infestations in the trash disposal areas, laundry facilities, storage areas and any other common area where water and/or food storage is present. Additionally, we inspected all areas where the envelope has been penetrated and all points of ingress/egress for any entry points for pests. Below are our findings for these areas, with a status (high, moderate, low, none) noted, and comments for corrective measures, both immediate and long-term. (Lengthen the table as needed to reflect all areas inspected)

Area	Comments	Status

Based on the above findings, interviews with the property managers, maintenance staff, and tenants, and the review of all documentation made available to us regarding past Pest Control effort we conclude the following course of action is required: (The RPCA Scope of Work requires, at Part 3.2.D.iv, "[the report details]... an immediate course of action, which identifies and estimates the cost of the measures required to address the pest infestations for each identified group (see prior paragraph) and an continuing course of action for using IPM principles at the property"). **(IPM Inspector - add detailed comments below for the units and the common areas including the recommendations from Exhibit 2)**

Sincerely,

(Name of IPM Contractor)

Member of (QualityPro Green, EcoWise, GreenShield, or other certification program accepted by HUD in its sole discretion)

Rental Assistance Demonstration Program (RAD) Effective Integrated Pest Management for Affordable Housing

Essential Elements of Effective IPM (per HUD May 27, 2007 Guidance)	Status at Development (checkmark all that are present)	Comment on Existing Strategies and Deficiencies; Make Recommendations
1. Communicate Policies Communicate ownership/ management's IPM policies and procedures to: <ul style="list-style-type: none"> • All building occupants • Administrative staff • Maintenance personnel • Contractors. 	<input type="checkbox"/> Written pest control policy in place. <input type="checkbox"/> Policy communicated to: <ul style="list-style-type: none"> <input type="checkbox"/> Staff. <input type="checkbox"/> Resident services. <input type="checkbox"/> Maintenance staff. <input type="checkbox"/> Renovation/rehabilitation staff/contractors. <input type="checkbox"/> Pest control services. <input type="checkbox"/> Policy communicated to residents.	
2. Identify Problem Pests Identify pests and environmental conditions that limit the spread of pests.	<input type="checkbox"/> Policy described strategy to address pests: <ul style="list-style-type: none"> <input type="checkbox"/> Rats. <input type="checkbox"/> Mice. <input type="checkbox"/> Cockroaches. <input type="checkbox"/> Bedbugs. <input type="checkbox"/> Other pests: _____ <input type="checkbox"/> Policy described strategy to address environmental conditions: <ul style="list-style-type: none"> <input type="checkbox"/> Water damage and effective cleanup. <input type="checkbox"/> Housekeeping and maintenance within the apartment units. 	

Rental Assistance Demonstration Program (RAD) Effective Integrated Pest Management for Affordable Housing

Essential Elements of Effective IPM (per HUD May 27, 2007 Guidance)	Status at Development (checkmark all that are present)	Comment on Existing Strategies and Deficiencies; Make Recommendations
3. Monitor and Track Establish an ongoing monitoring and record keeping system for: <ul style="list-style-type: none"> • Regular sampling and assessment of pests • Surveillance techniques • Remedial actions taken • Assessment of program effectiveness. 	<input type="checkbox"/> Pest control complaints: <ul style="list-style-type: none"> <input type="checkbox"/> Maintained accurate, up-to-date, and accessible tracking reports maintained. <input type="checkbox"/> Recorded in electronic format. <input type="checkbox"/> Analyzed regularly for timeliness, recurrent problems and other trends. <input type="checkbox"/> Action taken based on analysis of complaints. <input type="checkbox"/> Ongoing and regular monitoring of trash handling areas and common areas: <ul style="list-style-type: none"> <input type="checkbox"/> Visual monitoring. <input type="checkbox"/> Glue trap monitoring. <input type="checkbox"/> Ongoing and regular inspection of exterior areas. <input type="checkbox"/> Result of visual monitoring and glue trap monitoring recorded and tracked. <input type="checkbox"/> Annual inspection of each resident for housekeeping and maintenance concerns. <input type="checkbox"/> Annual summary of results of complaint and monitoring analysis.	
4. Set Thresholds for Action Determine, with involvement of residents: <ul style="list-style-type: none"> • Pest population levels – by species – that will be tolerated • Thresholds at which pest populations warrant action. 	<input type="checkbox"/> Zero tolerance set for priority pests: rats, mice, cockroaches, and bedbugs. <input type="checkbox"/> Residents and staff aware of zero tolerance policy. <input type="checkbox"/> Tolerances set for other pests such as ants and spiders.	

Rental Assistance Demonstration Program (RAD) Effective Integrated Pest Management for Affordable Housing

Essential Elements of Effective IPM (per HUD May 27, 2007 Guidance)	Status at Development (checkmark all that are present)	Comment on Existing Strategies and Deficiencies; Make Recommendations
5. Improve Non-Pesticide Methods Improve: <ul style="list-style-type: none"> • Mechanical pest management methods • Sanitation • Waste management • Natural control agents. 	<input type="checkbox"/> Regular and ongoing cleaning of [Frequency] <input type="text"/> <input type="checkbox"/> Interior trash handling areas <input type="text"/> <input type="checkbox"/> Exterior trash handling areas <input type="text"/> <input type="checkbox"/> Laundry rooms <input type="text"/> <input type="checkbox"/> Storage areas <input type="text"/> <input type="checkbox"/> Regular removal of interior trash <input type="text"/> <input type="checkbox"/> Confirm dumpsters <input type="text"/> <input type="checkbox"/> Are of adequate size <input type="text"/> <input type="checkbox"/> Are in good repair <input type="text"/> <input type="checkbox"/> Have tightly fitting lids <input type="text"/> <input type="checkbox"/> Are located at least 25 feet from building <input type="text"/> <input type="checkbox"/> Show no signs of overflow problems. <input type="text"/>	
6. Prevent Pest Entry and Movement <ul style="list-style-type: none"> • Monitor and maintain structures and grounds including <ul style="list-style-type: none"> ○ Sealing cracks ○ Eliminating moisture intrusion and accumulation • Add physical barriers to pest entry and movement. 	<input type="checkbox"/> Exterior holes greater than 1/4" sealed. <input type="checkbox"/> Cracks in walls, foundation and floor sealed. <input type="checkbox"/> Sewer traps filled with water. <input type="checkbox"/> Screens in place on opened windows and doors in warm weather. <input type="checkbox"/> Door sweeps in good working condition. <input type="checkbox"/> Materials damaged by water quickly repaired or replaced. <input type="checkbox"/> Cause of water damage corrected.	
Essential Elements of Effective IPM (per HUD May 27, 2007 Guidance)	Status at Development (checkmark all that are present)	Comment on Existing Strategies and Deficiencies; Make Recommendations

Rental Assistance Demonstration Program (RAD) Effective Integrated Pest Management for Affordable Housing

<p>7. Educate Residents and Update Leases</p> <ul style="list-style-type: none"> • Develop an outreach/educational program • Ensure that leases reflect residents' responsibilities for: <ul style="list-style-type: none"> ◦ Proper housekeeping ◦ Reporting presence of pests, leaks, and mold. 		<ul style="list-style-type: none"> <input type="checkbox"/> Resident leases set specific requirements for: <ul style="list-style-type: none"> <input type="checkbox"/> Housekeeping, sanitation, and trash storage. <input type="checkbox"/> Reporting of pests, leaks, and mold. <input type="checkbox"/> Educational materials on pest control and pesticide use provided to residents. <input type="checkbox"/> New residents expressly told that they are responsible for proper housekeeping and reporting presence of pests, leaks, and mold. <input type="checkbox"/> Units inspected within one month after moving in. <input type="checkbox"/> Residents regularly reminded of responsibilities. <input type="checkbox"/> Resident told to notify resident services before using any pesticides spray or fogger.
<p>8. Enforce Lease</p> <p>Enforce lease provisions regarding resident responsibilities such as:</p> <ul style="list-style-type: none"> • Housekeeping • Sanitation • Trash removal and storage. 	<ul style="list-style-type: none"> <input type="checkbox"/> Pest control services and maintenance alerting resident services to housekeeping, sanitation and trash problems on an identified, established schedule. <input type="checkbox"/> Resident services addressing residents with housekeeping problems through education. <input type="checkbox"/> Residents with ongoing or unresolved housekeeping, sanitation or trash problems addressed through enforcement of lease. 	
<p>Essential Elements of Effective IPM (per HUD May 27, 2007 Guidance)</p>	<p>Status at Development (checkmark all that are present)</p>	<p>Comment on Existing Strategies and Deficiencies; Make Recommendations</p>

Rental Assistance Demonstration Program (RAD) Effective Integrated Pest Management for Affordable Housing

<p>9. Use Pesticides Only When Necessary Use pesticides only when necessary, with preference for products that, while producing the desired level of effectiveness, pose the least harm to human health and the environment, and, as appropriate, notifying PHA management before application.</p>	<input type="checkbox"/> Snap traps used for mice. <input type="checkbox"/> Rodenticides only used in tamper-resistant plastic boxes. <input type="checkbox"/> No sprays or foggers used by staff, contractors, or residents without written, advance approval of property manager. <input type="checkbox"/> Boric acid and baits used at unit turnover.	
<p>10. Post Signs Provide and post 'Pesticide Use Notification' signs or other warnings.</p>	<input type="checkbox"/> Program in place to notify residents and staff of pesticide use. <input type="checkbox"/> Signs used to notify residents and staff in advance of pesticide application (if for other than bait stations). <input type="checkbox"/> Residents notified after units treated. <input type="checkbox"/> Residents notified after common areas treated.	
<p>11. Summary</p>	<input type="checkbox"/> How many of the ten Essential Elements of Effective IPM listed in this chart are: - Fully addressed? _____ - Partially addressed? _____ - Missing entirely? _____	

USING GLUE TRAPS

(from the National Center for Healthy Housing)

Cockroaches don't like the light. They prefer the dark. When you see one, the infestation is probably serious. There may be thousands more hidden. Cockroach glue traps left out overnight in the right places are a better way to identify a problem.

Cockroach glue traps are a strip of cardboard with glue on it. The glue traps come in many shapes and styles. The two most basic types come in a triangle or a flattened tube.



Photo Courtesy of January Jones
Cockroaches on Glue Traps.

They can also be a small, open-face, tray of glue. Avoid these traps since pets and, sometimes, a curious child can get the trap stuck on them. If a mouse gets stuck, it will most likely die after hours of squeaking. People in the area will not be happy. Leave the tray of glue to the professionals.

Please note that glue traps are only useful to monitor for cockroaches. They will not eliminate the cockroaches since only adult cockroaches are likely to be caught.

Setting up the Trap: Each brand is different. Read the instructions. Practice on a few to get it right. Make sure you write the date and location on the trap. Once cockroaches are on the trap, it will be difficult to label. Generally:

- Mark date and location on trap;
- Fold it in the proper shape to get the angles right;
- Open it back up;
- Remove paper that covers glue;
- Fold it into shape using glue to hold it.

You may want to use gloves to avoid getting the glue on your fingers. If you do get glue on you, use a good grease removing detergent such as hand dishwashing soap to get it off. It is not dangerous but it sure is sticky.

Placing the Trap: Cockroaches run along corners. Place the traps in the corner of two walls so the cockroach running along the wall will go through it. Put the trap in places with food, heat and moisture, especially where you see frass (cockroach debris, especially feces). Cockroaches leave it wherever they go.

Kitchen

- On the floor by the refrigerator
- On the floor by the oven
- In the pantry behind the food
- Under sink

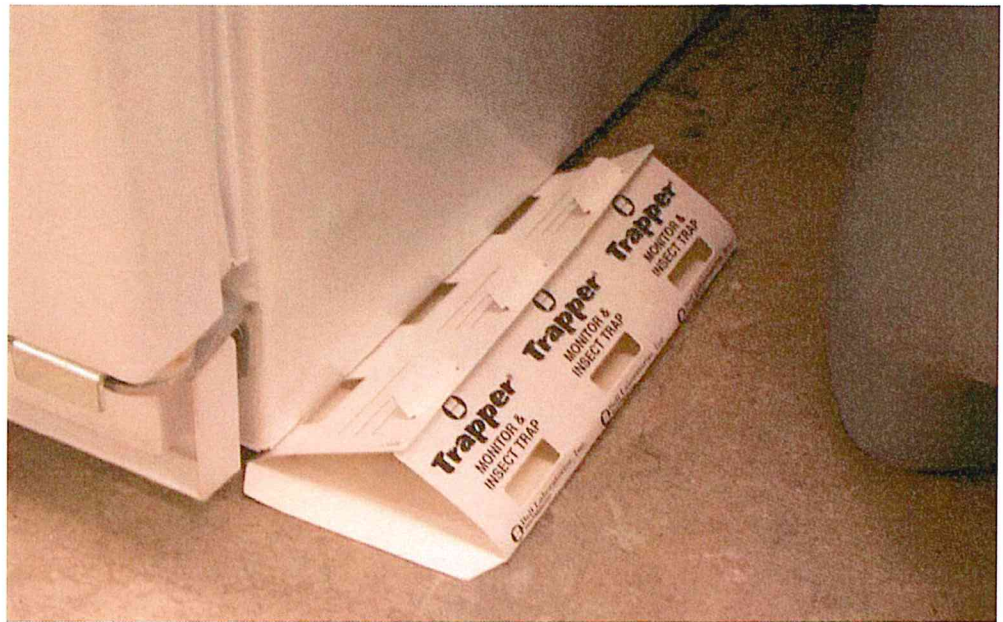


Photo courtesy of Changlu Wang, Purdue University
Cockroach Glue Trap along refrigerator

Bathroom

- Behind toilet
- Alongside refrigerator
- In towel closet



Photo courtesy of Changlu Wang, Purdue University
Cockroach Glue Trap along baseboard in bathroom

Basement

- Under sink
- By washer or dryer

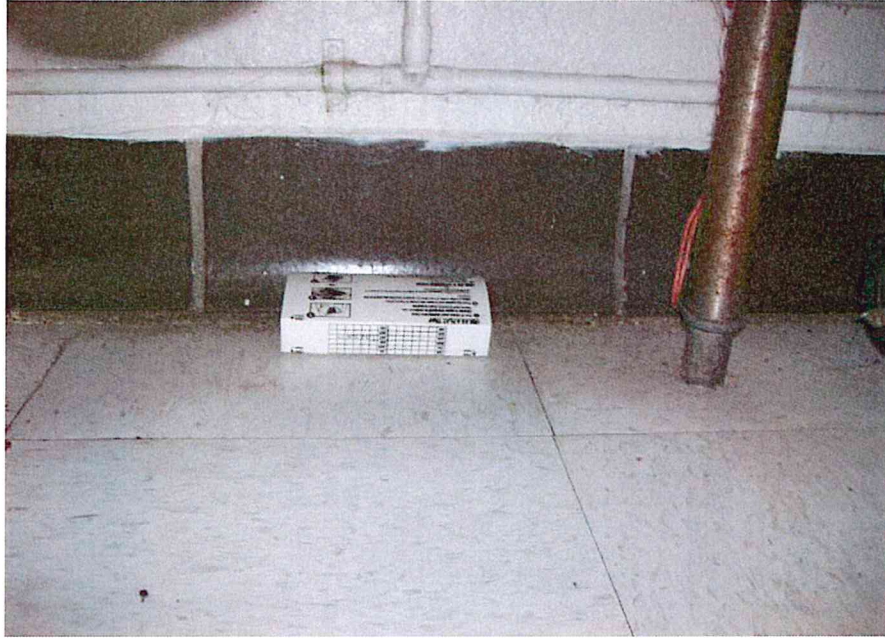


Photo courtesy of Philip Smith, West Virginia Dept. of Agriculture
Cockroach Glue Trap along baseboard in kitchen

Other areas

- Behind bed
- Under couch

FOR THE PEST MANAGEMENT PROFESSIONAL

Checking / Collecting the Trap: Make it part of your routine to check the traps for cockroaches. If you find a cockroach in a trap, remove the trap, replace it with a new one, and put the old one in a zip lock bag. You may want to use tongs to pick it up since the cockroaches may be alive.

Write down as clearly as you can where the trap was located on the bag or on paper that you put in the bag. Seal the bag.

It is important to save the trap and its location information. The pest management professional (PMP) needs it to identify the type of cockroach and more quickly find the location of the infestation.

ATTACHMENT A

**CERTIFICATION REGARDING DEBARMENT AND SUSPENSION, FORM HUD-
2992 (3/98)**

Certification Regarding Debarment and Suspension

U.S. Department of Housing and Urban Development

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 or 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 or 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

ATTACHMENT B

**INSTRUCTIONS TO OFFERS – NON-CONSTRUCTION 5369-B
CERTIFICATIONS AND REPRESENTATIONS OF OFFERORS NON-
CONSTRUCTION CONTRACT FORM HUD-5369- C (8/93)**

Instructions to Offerors Non-Construction

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



- 03291 -

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 an 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 counteroffer 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:]

Certifications and Representations of Offerors Non-Construction Contract

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

OMB Approval No: 2577-0180 (exp. 7/30/96)

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:

ATTACHMENT C

NON-COLLUSIVE AFFIDAVIT

FORM OF NON-COLLUSIVE AFFIDAVIT

A F F I D A V I T

(Prime Bidder)

State of _____)ss.

County of _____)

_____, being first duly sworn, deposes and says:

That he/she is _____
(Partner or Officer of the Firm of, etc.)

the party making the foregoing proposal or bid, that such proposal or bid is genuine and not collusive or sham; that said bidder has not colluded, conspired, connived or agreed, directly or indirectly, with any bidder or person, to put in a sham bid or to refrain from bidding, and has not in any manner, directly or indirectly, sought by agreement or collusion, or communication or conference, with any person, to affix the bid price of affiant or of any other bidder, or to fix any overhead, profit or cost element of said bid price, or of that of any other bidder, or to secure any advantage against the Sanford Housing Authority or any person interested in the proposed contract; and that all statements in said proposal or bid are true.

Signature of: _____ Name
of Bidder if Bidder is an Individual

Name of Partner if Bidder is a Partnership

Name of Officer if Bidder is a Corporation

Subscribed and sworn to before me _____

this _____ day of _____ 20_____.

My commission expires _____ 20_____.

INSTRUCTIONS FOR AFFIDAVIT OF NON-DEFAULT

This form must be signed by all principals who will work on this contract. Principals may all use, sign, and file the same form or they may file separate forms.

Principals include all individuals, joint ventures, partnerships, corporations, trusts, nonprofit organizations or any other public or private entity that will participate in the contract as a prime contractor.

In the case of partnerships, all general partners (regardless of their percentage interest) and limited partners having a 25 percent or more interest in the partnership are considered to be principals. In the case of public or private corporations or governmental entities, principals include the president, vice president, secretary, treasurer and all other executive officers who are directly responsible to the board of directors, or any equivalent governing body, as well as all directors and each stockholder having a 10 percent or more interest in the corporation.

Exception for corporation - All principals must personally sign the certification. If, however, a public agency is a principal, all of its officers, directors, commissioners, trustees and stockholders with 10 or more of the common (voting) stock need not sign personally if they all have the same record of report. Only the officer who is authorized to sign for the corporation or agency must personally sign the certification. However, any person who has information to report which is substantially different from that of his or her organization must report that activity on this form and sign his or her name.

If you cannot certify and sign the certificate as it is printed because some statements do not correctly describe your record, then use a pen and strike through those parts that differ with your record, and sign that part you permitted to remain and which does describe you or your record.

Attach a signed explanation of the terms you have struck out on the certification and report the facts of your correct record. Item (e) above relates to felony convictions within the past 10 years. A felony conviction will not cause your participation to be disapproved unless there is a criminal record or other evidence that your previous conduct or method of doing business has been such that your participation in the project would make it an unacceptable risk.

AFFIDAVIT OF NON-DEFAULT

A F F I D A V I T
(Prime Proposer)

STATE OF _____:
COUNTY OF _____:

_____, being duly sworn according to law,
deposes and says:

1. That he/she is _____ (a partner/officer of the
firm of _____),
the party making the foregoing Proposal or Proposals.

2. He/she further certifies as follows:

(a) (a) that all the statements made by me are true, complete and correct to the
best of my knowledge and belief and are made in good faith;

(b) that for the period beginning 10 years prior to the date of this certification,
and except as shown on the attachment, I have not experienced defaults or noncompliance under
any contract for the U. S. Department of Housing and Urban Development, or any other
governmental agency with which I have contracts;

(c) to the best of my knowledge there are no unresolved findings raised as a
result of HUD audits, management reviews or any other governmental investigations concerning
me or work under any of my contracts;

(d) there has not been a suspension or termination of payments under any HUD
contract in which I have had a legal or beneficial interest attributable to my fault or negligence;

(e) I have not been convicted of a felony and am not presently, to my
knowledge, the subject of a complaint or indictment charging a felony. (A felony is any offense
punishable by imprisonment for more than one year, but does not include any offense classified
as a misdemeanor under the laws of a State and punishable by imprisonment of two years or
less.);

(f) I have not been suspended, debarred or otherwise restricted by any
Department or Agency of the Federal government, any State government, the City of Sanford,
NC, or the Sanford Housing Authority from doing business with such Department or Agency;

(g) I have not defaulted on an obligation covered by a bond and have not been the subject of a claim under any fidelity bond;

(h) all the names of the parties known to me to be principals in this contract in which I propose to participate are included on resumes submitted with this proposal;

(i) to my knowledge I have not been found by HUD or the State of North Carolina to be in noncompliance with any applicable civil right laws;

(j) I am not a Member of Congress or a Resident Commissioner or otherwise prohibited or limited by law from contracting with the Sanford Housing Authority;

(k) I am not an officer or employee or commissioner of the Sanford Housing Authority who is prohibited or limited by law from contracting with SHA; and

(l) statements above (if any) to which I cannot certify, have been deleted by striking through the words with a pen. I have initialed each deletion (if any) and have attached a true and accurate signed statement (if applicable) to explain the facts and circumstances which I think help to qualify me as a responsible principal in this project.

By: _____
Signature of Individual if the Proposer is an Individual

Sworn to and Subscribed _____
Signature of Partner if the Proposer is a Partnership

Before me this _____ day _____ of
_____, 20____. Signature of Officer if the Proposer is a Corporation

Notary Public

(Title) Place Corporate Seal Here

ATTACHMENT D

CERTIFICATION FOR A DRUG-FREE WORKPLACE, FORM HUD-50070 (3/98)

Certification for a Drug-Free Workplace

U.S. Department of Housing
and Urban Development

Applicant Name

Program/Activity Receiving Federal Grant Funding

Acting on behalf of the above named Applicant as its Authorized Official, I make the following certifications and agreements to the Department of Housing and Urban Development (HUD) regarding the sites listed below:

I certify that the above named Applicant will or will continue to provide a drug-free workplace by:

a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Applicant's workplace and specifying the actions that will be taken against employees for violation of such prohibition.

b. Establishing an on-going drug-free awareness program to inform employees ---

(1) The dangers of drug abuse in the workplace;

(2) The Applicant's policy of maintaining a drug-free workplace;

(3) Any available drug counseling, rehabilitation, and employee assistance programs; and

(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

c. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph a.;

d. Notifying the employee in the statement required by paragraph a. that, as a condition of employment under the grant, the employee will ---

(1) Abide by the terms of the statement; and

(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

e. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph d.(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federalagency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

f. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph d.(2), with respect to any employee who is so convicted ---

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs a. thru f.

2. **Sites for Work Performance.** The Applicant shall list (on separate pages) the site(s) for the performance of work done in connection with the HUD funding of the program/activity shown above: Place of Performance shall include the street address, city, county, State, and zip code. Identify each sheet with the Applicant name and address and the program/activity receiving grant funding.)

Check here ☐ if there are workplaces on file that are not identified on the attached sheets.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties.
(18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official

Title

Signature

Date

X

ATTACHMENT E

DISCLOSURE OF LOBBYING ACTIVITIES SF-LLL (REV. 7-97)

DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352
(See reverse for public burden disclosure.)

Approved by OMB
0348-0046

1. Type of Federal Action: <input type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance		2. Status of Federal Action: <input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award		3. Report Type: <input type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change For Material Change Only: year _____ quarter _____ date of last report _____	
4. Name and Address of Reporting Entity: <input type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known: Congressional District, if known: 4c			5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime: Congressional District, if known:		
6. Federal Department/Agency:			7. Federal Program Name/Description: CFDA Number, if applicable: _____		
8. Federal Action Number, if known:			9. Award Amount, if known: \$		
10. a. Name and Address of Lobbying Registrant (if individual, last name, first name, MI):			b. Individuals Performing Services (including address if different from No. 10a) (last name, first name, MI):		
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.			Signature: _____ Print Name: _____ Title: _____ Telephone No.: _____ Date: _____		
Federal Use Only:				Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)	

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity 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 a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.

(b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is OMB No. 0348-0046. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including 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 the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, DC 20503.

ATTACHMENT F

**CERTIFICATION OF PAYMENTS TO INFLUENCE FEDERAL TRANSACTIONS,
FORM HUD-50071 (3/98)**

Certification of Payments to Influence Federal Transactions

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

OMB Approval No. 2577-0157 (Exp. 01/31/2017)

Applicant Name

Program/Activity Receiving Federal Grant Funding

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with 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.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.
Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official

Title

Signature

Date (mm/dd/yyyy)