

REQUEST FOR PROPOSALS (RFP)

No. 19007

Accounting Services – Elliot Twins Redevelopment



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April 9, 2019

To whom it may concern:

The Minneapolis Public Housing Authority (MPHA) is a public entity that was formed in 1991 to provide federally subsidized housing and housing assistance to low-income families, within the City of Minneapolis, Minnesota. MPHA is headed by an Executive Director (ED) and is governed by a nine-person board of commissioners.

Currently, MPHA owns and operates approximately 6,000 units of public housing and administers over 5,000 Housing Choice Vouchers serving more than 26,000 people. The approximately 6,000 public housing units are located in 42 highrise/lowrise buildings, 736 scattered sites, and 184 units at the Glendale Townhomes. With approximately 280 employees and a \$115 million annual budget, MPHA is the largest public housing authority in Minnesota and the 20th largest in the nation.

MPHA is focused on providing quality, deeply affordable homes for the 26,000 people we serve and assuring these homes are here for decades to come, for those who need them most. MPHA's long-term vision is founded on three strategic initiatives: housing preservation and creation; education, employment, and health; and operational excellence.

Attached is a Request for Proposal for Accounting Services for MPHA's Elliot Twins property.

The Elliot Twins are two highrise buildings built in 1961 that are owned and operated by MPHA. MPHA intends to do a Rental Assistance Demonstration (RAD) conversion of both properties to address current physical needs and to support the long-term affordability of the projects. MPHA will be the developer of the project and plans to pursue Low Income Housing Tax Credits and tax-exempt bond financing for the project. The Elliot Twins transaction will be the MPHA's first RAD transaction using these financial tools.

MPHA received its CHAP from HUD for the Elliot Twins project in December 2018 and is currently working on the design and financing plan for the rehabilitation and modernization work. Initial closing for the project is expected in June 2020. MPHA seeks an accounting firm that can support the agency and the project during the predevelopment, closing, construction and stabilization phases of development.

Please consider submitting a proposal for providing these services if your firm meets the qualifications and is interested and available. Please review the RFP for details.

There will be no pre-proposal conference held. Questions are due Friday, April 19, 2019 at 3:00 p.m. Proposals are due Wednesday, May 1, 2019 at 3:00 p.m.

Thank you for your consideration.

Sincerely,

Minneapolis Public Housing Authority

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Attachment A. Profile of Firm Form

Attachment B. HUD Form 5369-C

Attachment C. Section 3 Business Self Certification Form

Attachment D. W/MBE and Section 3 Subcontractor Certification

Attachment E. HUD Form 5369-B

Attachment F. Sample Contract

Attachment F-1. Sample Contract Appendix 1: HUD Form 5370-C

Attachment F-2. Sample Contract Appendix 2: State and Federal Data Privacy Statement

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1. **Invitation:** The Minneapolis Public Housing Authority (MPHA) is pleased to issue this Request for Proposals (RFP) to highly qualified firms (“Contractor”) to provide accounting services related to the redevelopment and financing of MPHA’s Elliot Twins properties under the HUD Rental Assistance Demonstration (RAD) program. The project is expected to utilize Low Income Housing Tax Credit (LIHTC) equity and tax-exempt bond financing. The work is generally described in the Scope of Work contained within this RFP.
2. **Pre-Proposal Conference:** There will be no pre-proposal conference.
3. **Question Deadline and Contact with MPHA:** It is the proposer’s responsibility to address all communication and correspondence, including questions pertaining to this RFP process to the Buyer only. The Buyer will respond to all such inquiries in writing by addendum to all prospective proposers (i.e. firms or individuals that have obtained the RFP Documents). During the RFP solicitation process, the Buyer will not conduct any substantive conversation that may give one prospective proposer an advantage over other prospective proposers. This does not mean that prospective proposers may not call the Buyer—it simply means that, other than making replies to direct the prospective proposer where his/her answer has already been issued within the solicitation documents, the Buyer may not respond to the prospective proposer’s inquiries but will direct him/her to submit such inquiry in writing so that the Buyer may more fairly respond to all prospective proposers in writing by addendum. Proposers must not make inquiry or communicate with any other MPHA staff member or official (including members of the Board of Commissioners) pertaining to this RFP. Failure to abide by this requirement may be cause for MPHA to not consider a proposal submittal.

Molly Prahm, Buyer
Minneapolis Public Housing Authority
mprahm@mplspha.org
Office: 612-342-1469
TDD/TTY: (800) 627-3529

The deadline to submit questions is Friday, April 19, 2019 at 3:00 p.m.

4. **Proposal Due Date:** The Contractor shall submit an **electronic copy**, along with pricing on the eProcurement Marketplace:
 1. Access ha.economicengine.com (no “www”).
 2. Click on the “Login” button in the upper left side.
 3. Follow the listed directions.
 4. If you have any problems in accessing or registering on the eProcurement Marketplace, call customer support at (866) 526-0160.

The submittal shall be made at or before Wednesday, May 1, 2019 at 3:00 p.m.

NOTE: Late Proposals may not be accepted.

5. **Scope of Work:** MPHA invites proposals from licensed and qualified accounting firms to support the Elliot Twins development project. The responders should be experienced in providing accounting, tax, and audit services for Low Income Housing Tax Credit (LIHTC)/Section 42 properties and for RAD transactions. The selected firm will be responsible for providing accounting and financial advisory services during the development period for the Elliot Twins project, including but not limited to the following:
 - Assist with modeling of LIHTC delivery, calculation of Internal Rate of Return for investors, and other financial analysis for the transaction.

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- Assist with preparation of the assignment and assumption of project costs between the MPHA and ownership entity prior to the initial closing.
 - Prepare draft and final reports for the 95/5 test and 50% test for projects funded with tax-exempt bond financing and 4% tax credits.
 - Assist on the preparation of schedules for the investor and other funders demonstrating completion of project milestones such as breakeven operations and required debt service coverage.
 - Prepare the cost certification, 8609, and other documents required at the completion of construction and development.
 - Prepare the Tax Credit Certification, including calculation of the eligible and qualified basis, applicable fraction, annual tax credits for both LIHTC and other applicable tax credits (i.e. Federal Energy Tax Credits).
 - Prepare unaudited financial statements and file tax returns for active development entities during the development period, as needed.
 - Advise on accounting strategies and practices for both the GP entity and MPHA as developer.
 - Advise on accounting strategies for the remaining public housing portfolio.
 - Provide other technical assistance as requested, including general training and support to MPHA staff on accounting issues related to RAD, LIHTC, and bond transactions.
- 6. Proposal Format:** MPHA intends to retain the firm pursuant to a “Best Value” basis, not a “Low Bid” basis (“Best Value,” in that MPHA will, as detailed in this section, consider factors other than just cost in making the award). Therefore, to allow for easier comparison of proposals during evaluation, proposals should contain the following sections and appendices and be arranged in consecutive order.
- 6.1 Profile of Firm Form (Attachment A).** This form must be fully completed and submitted under this section as part of the proposal submittal.
- 6.2 Personnel Listing and Relevant Experience/Capacity.** The proposer should place documentation under this tab demonstrating their relevant experience, qualifications, and personnel to perform the services.
- The proposer’s qualifications, relevant experience, and ability of staff to successfully perform the required services;
 - The number of years the firm has been in practice;
 - The project team members, their roles on the project and provide resumes that describe how they meet the qualifications listed above and their demonstrated successes with similar projects; and
 - Any industry reports, recognitions, certifications, and/or articles regarding the proposer’s related work. Describe any previous experience working with Public

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Housing Authorities and RAD projects financed with LIHTC equity and tax-exempt bond financing.

- 6.3 Scope of Services.** Describe in detail how services will be provided. Include a detailed listing and description of tasks and deliverables, including a timeline for completing the work.
- 6.4 References.** The proposer should include a list of at least three references from contracts similar in size and scope that were completed in the last five years. The proposer should include contact information for each reference. References shall not be MPHA staff or projects.
- 6.5 HUD Form 5369-C (Attachment B).** This form must be fully completed and submitted under this section as part of the proposal submittal.
- 6.6 Subcontractor/Joint Venture Information (Optional).** The proposer should identify under this tab whether they intend to use any subcontractors for these services and/or if the proposal is a joint venture with another firm. All information required from the proposer under the preceding tabs must also be included for any major subcontractors (10% or more) or from any joint venture.
- 6.7 Section 3 Business Self Certification Form (Attachment C) (Optional).** Any proposer claiming a Section 3 Preference must include the completed Section 3 Business Self Certification Form. Prior to award, MPHA will request additional documentation from the successful proposer(s) to confirm their section 3 status.
- 6.8 Other Information (Optional).** The proposer may include under this tab any other information that the proposer believes is appropriate to assist MPHA in its evaluation of their proposal.
- 7. Entry of Proposed Fees:** The proposed fees (Pricing Items) shall be submitted by the proposer and received by MPHA where provided in the Housing Agency Marketplace only. Do not submit, enter, or reference any fees or costs in the uploaded proposal, except where directed to — any proposer that does so may be rejected without further consideration. Additional proposed fees cannot and will not be accepted after the submittal deadline. After entry of proposed unit fees in the eProcurement marketplace, the marketplace will automatically multiply such fees by the listed quantities. The sum of all the line items will determine the points awarded for Evaluation Factor No. 1, Proposed Fees. Unless otherwise stated, the proposed fees are all-inclusive of all related costs that the successful proposer will incur to provide the noted services, including but not limited to: employee wages and benefits; clerical support; overhead; profit; licensing; insurance; materials; supplies; tools; equipment; long distance telephone calls; travel expenses; document copying not specifically agreed to by MPHA; etc.

 - 7.1 Realistic Fees.** The proposer is encouraged to propose a realistic fee for each Pricing Item as MPHA will not negotiate any fees after the deadline. MPHA reserves the right to not award to any proposer that proposes an unreasonable fee(s). The pricing items are as follows:

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Item No.	Qty	U/M	Service Description
1	1	LS	Firm-fixed base bid fee to complete all modeling and reports required by HUD, the lender(s) and LIHTC investor in order for MPHA to complete the initial closing for the Elliot Twins transaction using LIHTC equity and tax-exempt bond financing.
2	1	LS	Firm-fixed base bid fee to complete all modeling and reports required by HUD, the lender(s) and LIHTC investor in order for MPHA to achieve the completion and close-out of the Elliot Twins transaction.
3	1	Hour	Provide other technical assistance as requested, including general training and support to MPHA staff on accounting issues related to RAD, LIHTC, and bond transactions.

7.2 Taxes. All persons doing business with MPHA are hereby made aware that as of January 1, 2017, MPHA is exempt from paying Minnesota State Sales and Use Taxes and Federal Excise Taxes. A letter of Tax Exemption will be provided upon request. Contractors must pay sales or use tax on the cost of all materials, supplies, and equipment to complete the contract.

7.3 No Deposit/No Retainer. MPHA will not pay any deposits or retainer fees. MPHA will only pay the successful proposer(s) for actual work performed.

7.4 Submission Responsibilities. It is the proposer’s responsibility to be aware of and to abide by all dates, times, terms, conditions, requirements, and specifications set forth in the RFP documents, including this RFP document, the attachments listed on page 3, and any addenda. By submitting a proposal, the proposer agrees to comply with all conditions and requirements set forth in those documents. Written notice from the proposer not authorized in writing by MPHA to exclude any of the requirements contained in the RFP documents may cause that proposer to not be considered for award.

8. Evaluation of Proposals: Each proposal received will first be evaluated for responsiveness (i.e. meets the minimum of the requirements). Proposals will then be evaluated by an Evaluation Panel made up of no more than five (5) staff and representatives of the MPHA. No proposer will be informed at any time as to the identity of any evaluation committee member. If a proposer becomes aware of the identity of such person(s), they shall not attempt to contact or discuss anything regarding this RFP with such person. Failure to abide by this requirement may cause the proposer to be eliminated from consideration for award. Evaluations will be based on the required criteria listed here:

No.	Max Point Value	Factor Description
1A	15 points	The proposed costs submitted by the proposer for Pricing Items #1 and #2
1B	5 points	The proposed hourly rate submitted by the proposer for Pricing Item #3
2	10 points	The overall quality, thoroughness, and clarity of the proposal.
3	10 points	Project team, approach, team organization, and management structure in support of a successful project.
4	30 points	Qualifications and experience of staff (includes a review of references).
5	30 points	Relevant knowledge and extensive experience providing accounting services for similar RAD transactions using LIHTC equity and tax-

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		exempt bond financing.
	100 points	Total Points (other than preference points)

- 8.1 Section 3 Business Preference Evaluation Factor.** A proposer may qualify for Section 3 status by submitting the Section 3 Business Self Certification Form.

No.	Maximum Point Value	Factor Description
6		SECTION 3 BUSINESS PREFERENCE PARTICIPATION. A firm may qualify for Section 3 status (NOTE: A max of 15 points awarded).
6a	15 points	Priority I, Category 1a. Business concerns that are 51% or more owned by residents of the housing development or developments for which the Section 3-covered assistance is expended.
6b	13 points	Priority II, Category 1b. Business concerns whose workforce includes at least 30% of residents of the housing development for which the Section 3-covered assistance is expended, or within three (3) years of the date of first employment with the business concern, were residents of the Section 3-covered housing development.
6c	11 points	Priority III, Category 2a. Business concerns that are 51% or more owned by residents of any other housing development(s).
6d	9 points	Priority IV, Category 2b. Business concerns whose workforce includes 30% of residents of any other public housing development(s), or within three (3) years of the date of first employment with the business concern, were “Section 3” residents of any other public housing development.
6e	7 points	Priority V, Category 3. Business concerns participating in HUD Youth-build programs being carried out in the metropolitan area in which the Section 3-covered assistance is expended.
6f	5 points	Priority VI, Category 4a. Business concerns that are 51% or more owned by Section 3 residents in the metropolitan area, or whose permanent, full-time workforce includes no less than 30% of Section 3 residents in the metropolitan area, or within three (3) years of the date of employment with the business concern, were Section 3 residents in the metropolitan area.
6g	3 points	Priority VII, Category 4b. Business concerns that subcontract in excess of 25 percent of the total amount of subcontracts to Section 3 business concerns.
6h	15 points	Maximum Available Preference Points (Additional)
	115	Total Possible Points

- 8.2 Potential Best and Finals Negotiations.** MPHA reserves the right to conduct a best and finals process, including conducting oral interviews with proposers deemed to be in the competitive range. A proposer must receive a total calculated average of at least 70 points to be considered in the competitive range. Any proposer not in the competitive range will be notified in writing by MPHA.
- 8.3 Ties.** In the case of a tie in points awarded, the award(s) shall be decided by drawing lots or other random means of selection.
- 8.4 Notice of Results of Evaluation.** If an award is completed, all proposers will receive a Notice of Results of Evaluation. Such notice shall inform all proposers of:

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- Which proposer received the award;
- Where each proposer placed in the process as a result of the evaluation of the proposals received (both rank and points); and
- Each proposer’s right to a debriefing.

8.5 Restrictions. All persons having familial (including in-laws) and/or employment relationships (past or current) with principals and/or employees of a proposer entity will be excluded from participation on MPHA evaluation committee. Similarly, all persons having ownership interest in and/or contract with a proposer entity will be excluded from participation on MPHA evaluation committee.

9. Contract Award: By submitting a proposal, the proposer agrees to abide by all terms and conditions regarding this RFP, including the contract clauses already attached as Attachment F, Sample Contract. The following provisions are considered mandatory conditions of any contract award made by MPHA pursuant to this RFP:

9.1 Contract Form. MPHA will not execute a contract on the firm’s form—contracts will only be executed on MPHA forms (please see Sample Contract, Attachments F and F-1 through F-2), and by submitting a proposal, the firm agrees to do so (please note that MPHA reserves the right to amend these forms as MPHA deems necessary). However, MPHA will during the RFP process (prior to the posted question deadline) consider any contract clauses that the proposer wishes to include and submits in writing a request for MPHA to do so. Accordingly, MPHA will not conduct any negotiations regarding the contract clauses already published after the submittal deadline.

- **Mandatory HUD Forms.** Please note that MPHA has no legal right or ability to (and will not) at any time negotiate any clauses contained within any of the HUD forms included as a part of this RFP.

9.2 Assignment of Personnel. MPHA shall retain the right to demand and receive a change in personnel assigned to the work if MPHA believes that such change is in the best interest of MPHA and the completion of the contracted work.

9.3 Unauthorized Sub-contracting Prohibited. The firm shall not assign any right, nor delegate any duty for the work proposed pursuant to this RFP (including, but not limited to, selling or transferring the contract) without the prior written consent of MPHA. Any purported assignment of interest or delegation of duty, without the prior written consent of MPHA shall be void and may result in the cancellation of the contract, or may result in the full or partial forfeiture of funds paid to the firm as a result of the proposed contract; either as determined by MPHA.

9.4 Contract Period. The executed contract will initially be in place for the period of time that it takes the Contractor to complete the work (though some stated provisions will extend through the noted warranty period).

9.5 Licensing and Insurance Requirements. Prior to award (but not as a part of the proposal submission) the successful proposer will be required to provide:

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- **Workers Compensation Insurance.** An original certificate evidencing the proposer’s current industrial (worker’s compensation) insurance carrier. Insurance coverage shall include Statutory Workers’ Compensation and Employers Liability with policy limits of \$500,000 per incident;
- **General Liability Insurance.** An original certificate evidencing General Liability coverage, naming MPHA as an additional insured, together with the appropriate endorsement to said policy reflecting the addition of MPHA as an additional insured (minimum of \$1,500,000 each occurrence, general aggregate minimum limit of \$1,500,000, together with damage to premises and fire damage of \$50,000 and medical expenses any one person of \$5,000). The \$1,500,000 policy limits may be a combination of underlying and excess liability (follows form) policies;
- **Professional Liability Insurance.** An original certificate showing the successful proposer’s professional liability and/or “errors and omissions” coverage (minimum of \$2,000,000 each occurrence, general aggregate minimum limit of \$2,000,000); and
- **Automobile Insurance.** An original certificate showing the proposer’s automobile insurance coverage in a combined single limit of \$1,000,000. For every vehicle utilized during the term of this program, when not owned by the entity, each vehicle must have evidence of automobile insurance coverage with limits of no less than \$100,000/\$300,000 and medical pay of \$5,000.
- **City/County/State Business License.** If applicable, a copy of the proposer’s business license allowing that entity to provide such services within the City of Minneapolis, Hennepin County, and/or the State of Minnesota.

9.6 Contract Service Standards. All work performed pursuant to this RFP must conform and comply with all applicable local, state and federal codes, statutes, laws and regulations.

9.7 Equal Employment Opportunity and Supplier Diversity. Both the successful proposer and MPHA have certain responsibilities regarding the hiring and retention of personnel and subcontractors pursuant to HUD regulations. **2 CFR § 200.321** states:

- (a) The Non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women’s business enterprises, and labor surplus area firms are used when possible.
- (b) Affirmative steps must include:
 - (1) Placing qualified small and minority businesses and women’s business enterprises on solicitation lists;
 - (2) Assuring that small and minority businesses, and women’s business enterprises are solicited whenever they are potential sources;
 - (3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women’s business enterprises;

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- (4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women’s business enterprises;
- (5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
- (6) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of this section.

9.8 Prompt Return of Contract Documents. Any and all documents required to complete the contract, including contract signature by the successful proposers, shall be provided to MPHA within 10 work days of notification by MPHA.

10. MPHA’s Reservation of Rights: MPHA reserves the right to:

10.1 Right to Reject, Waive, or Terminate the RFP. Reject any or all proposals, to waive any informality in the RFP process, or to terminate the RFP process at any time, if deemed by MPHA to be in its best interests.

10.2 Right to Not Award. Not award a contract pursuant to this RFP.

10.3 Right to Terminate. Terminate a contract awarded pursuant to this RFP, at any time for its convenience upon 10 days written notice to the firm(s).

10.4 Right to Determine Time and Location. Determine the days, hours, and locations that the successful proposer shall provide the services called for in this RFP.

10.5 Right to Retain Proposals. Retain all proposals submitted and not permit withdrawal for a period of 60 days subsequent to the deadline for receiving proposals without the written consent of MPHA Contracting Officer (CO).

10.6 Right to Reject Any Proposal. Reject and not consider any proposal that does not meet the requirements of this RFP, including but not necessarily limited to incomplete proposals and/or proposals offering alternate or non-requested services.

10.7 No Obligation to Compensate. Have no obligation to compensate any proposer for any costs incurred in responding to this RFP.

10.8 Right to Prohibit. At any time during the RFP or contract process, prohibit any further participation by a proposer or reject any proposal submitted that does not conform to any of the requirements detailed. By accessing the eProcurement Marketplace and by downloading this document, each prospective proposer is thereby agreeing to abide by all terms and conditions listed within this document and within the eProcurement Marketplace, and further agrees that he/she will inform the Buyer in writing within 5 days of the discovery of any item listed or of any item that is issued by MPHA that he/she feels needs to be addressed. Failure to abide by this time frame shall relieve MPHA, but not the prospective proposer, of any responsibility pertaining to such issue.

10.9 Right to Reject – Obtaining Competitive Solicitation Documents. The eProcurement Marketplace is the only official and appropriate venue to obtain the competitive solicitation documents (and any other information pertaining to the competitive solicitation such as addenda). Accordingly, by submitting a response to this competitive solicitation the respondent thereby affirms that he/she obtained all information on the eProcurement Marketplace. Any other group such as a proposal depository that informs potential respondents of the availability of such competitive solicitations are hereby instructed to not distribute these documents to any such potential respondents, but to instruct the potential respondents to visit the eProcurement Marketplace to obtain the documents. MPHA will reject without consideration any response submitted from a firm that has not obtained the documents from the eProcurement Marketplace.