

## Community Development Committee

Meeting date: October 6, 2014

For the Metropolitan Council meeting of October 22, 2014

**Subject:** Property Management Services Agreement – Family Affordable Housing Program

**District(s), Member(s):** All

**Policy/Legal Reference:** Council Policy 3-4-3a Procedure - Procurement

**Staff Prepared/Presented:** Terri Smith, HRA Manager

**Division/Department:** Community Development / HRA

### Proposed Action

That the Metropolitan Council authorize the Regional Administrator to execute a contract with Kingwood Management to provide property management services for 150 council owned residential properties known as the Family Affordable Housing Program (FAHP) units. The contract term is one-year with options to renew for four additional one-year periods. Total cost of the five year contract will not exceed \$1,000,000.

### Background

The Metropolitan Council owns 150 housing units that are rented to low income households. This program operates under the federal Section 8 Project Based Voucher (PBV) program. The Council contracts for day-to-day management services with a property management company. These services include unit leasing, maintenance, day-to-day interactions with residents, rent collection and accounting. Kingwood Management has provided these services to the Council since 2005. The current contract expires on December 31, 2014.

A formally advertised Property Management Services request for proposal (RFP) was issued on June 10, 2014. Two proposals were received in response to the solicitation. Proposals were submitted by Kingwood Management and R.P. Management. The proposals were evaluated on the following factors: quality of the proposal, qualifications of the proposer, experience of the proposer and price.

### Rationale

An evaluation panel was formed to evaluate the proposals including HRA and Finance management staff. The proposals were evaluated individually by each panel member. A panel member evaluation meeting was held on Tuesday, August 19, 2014 to rate and rank the proposals.

The proposal submitted by Kingwood Management was unanimously found to be the most advantageous to the Council. The proposal was comprehensive and addressed all RFP requirements. Kingwood's experience with rental property portfolios of a scattered site nature including FAHP, their strong management personnel and reporting systems made it the unanimous choice of the panel members. The fee proposed by Kingwood Management was reasonable and lower than the other proposal.

Staff recommends the contract be awarded to Kingwood Management.

### Funding

The funding for the FAHP is generated from rent subsidy payments paid by the U.S. Department of Housing and Urban Development (HUD) as part of the PBV program and rents paid by the residents.

### Known Support / Opposition

There is no known opposition to this action.