

REQUEST FOR PROPOSAL
UNIFORM PHYSICAL CONDITION STANDARDS
INSPECTIONS SERVICES

For the
THE WASHINGTON STATE
HOUSING FINANCE COMMISSION
Asset Management & Compliance Division

1000 Second Avenue, Suite 2700
Seattle, Washington 98104

RFP Publication Date: Wednesday, September 4, 2019

Deadline for submission: Friday, October 4, 2019, 4:00PM Pacific Time

FOR ADDITIONAL INFORMATION REGARDING THIS RFP CONTACT:
Melissa A. Donahue EMAIL: melissa.donahue@wshfc.org

REQUEST FOR PROPOSAL

UNIFORM PHYSICAL CONDITION STANDARDS INSPECTIONS for the WASHINGTON STATE HOUSING FINANCE COMMISSION

OVERVIEW

The Washington State Housing Finance Commission (the “**Commission**”) is requesting proposals in response to this Request for Proposals from firms with experience conducting Uniform Physical Condition Standards (UPCS) inspections. The purpose is to inspect multifamily rental properties funded through the federal Low Income Housing Tax Credit program (LIHTC), and the Tax Exempt Bond program (Bond) to ensure that projects comply with the requirements of the Uniform Physical Condition Standards established by U.S. Department of Housing and Urban Project (HUD) at 24 CFR 5.703. The Commission currently has approximately 1,140 multifamily developments that are inspected on a three (3) year cycle. Currently, an average of 360 projects totaling 4,100 units are inspected annually by both contracted partners and other regional public agencies.

Important Dates

1. Written *Requests for Additional Information* deadline: Wednesday, September 18, 2019
2. Written Q&A to be published in response to
all *Requests for Additional Information*: Wednesday, September 25, 2019
3. **Proposal Delivery Deadline:** **Friday, October 4, 2019**
4. Tentative Selection of Contractor: Friday, November 8, 2019

The RFP document, written response to Requests for Additional Information and any additional amendments to the RFP will be published on both the Commission’s website (<http://www.wshfc.org/index.htm>) as well as the Washington Electronic Business Solution for Vendors (<https://fortress.wa.gov/ga/webs/>) (requires registration).

BACKGROUND AND PURPOSE

Treasury Regulation 1.42-5 provides guidelines for the LIHTC Program. In 2001, the IRS amended the Regulation and strengthened the required compliance monitoring focus on habitability by requiring increased physical inspections of LIHTC projects.

To ensure compliance with IRS Code Section 42, the Commission has elected to outsource UPCS inspections for most of their LIHTC and Tax-Exempt Bond projects. To maintain consistency, the Commission will use HUD’s Uniform Physical Condition Standards (UPCS) to determine compliance

with property conditions for all developments participating in Housing Programs administered by the Commission.

The Commission must conduct onsite monitoring reviews of all projects at least once every three years and review a sample of the low income units and corresponding resident qualification packages. In January of each year, the Commission confirms the list of properties to be inspected in the calendar year (January 1 to October 31). After January, individual inspections are scheduled throughout the nine (9) month period with written notice to the property owner/manager submitted no more than two weeks prior to the scheduled inspection date.

All services will be performed under an agreement with the selected Contractor (the “**Services**”). Such agreement will be in the form of a master agreement (the “**Master Agreement**”) describing the general terms under which statements of work and services will be individually defined.

The actual amount of work and services executed under the Master Agreement may range from no authorized work in a given year up to the dollar limit for the contract period. Given the size of the Commission’s multifamily portfolio and the restricted timeframe in which the inspections must be completed, it is likely that more than one Contractor will be selected.

The Commission would consider contracting with one Contractor only if the Contractor can provide conclusive evidence of being able to handle the entire portfolio within the timeframe specified by the Commission.

The Commission reserves the right to request specific inspectors not conduct inspections on Commission projects.

MINIMUM REQUIREMENTS

Required experience, knowledge, skills, and abilities are as follows:

1. At least five years’ experience in conducting Uniform Physical Condition Standards inspections as defined by HUD at 24 CFR 5.703. Preference will be given to those firms who currently contract with other state Housing Finance Agencies and/or employ HUD REAC-certified inspectors.
2. Experience conducting inspections in compliance with Federal and State accessibility standards (including Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601, et seq.), Section 504 of the Rehabilitation Act of 1973 (UFAS) and the Fair Housing Amendments of 1988 (42 U.S.C. §§3601, et seq.);
3. Ability to complete assigned inspections within a defined time frame;
4. Ability to prepare detailed, concise written reports; and
5. Ability to provide accurate photos as needed.
6. Experience in conducting inspections to determine compliance with commitments made by developers at application regarding amenities and certain construction features.

The successful Contractor will inspect specific projects for the Commission and will submit all working papers, reports, and photographs to the Commission.

SCOPE OF WORK TO BE PERFORMED

Based on a property list generated by the Commission, the Contractor will conduct physical inspections of Commission properties. The inspection will include a UPCS inspection that details the condition of the site, building exteriors, common areas, building systems, and dwelling units.

General Work Requirements:

- Contractor will email inspection schedule to the Commission on a bi-weekly basis beginning at least two weeks' prior to first inspection – besides the scheduled dates of inspection, the list must include the OID (the Commission's unique project identifier), Project Name, the City and the assigned Commission Portfolio Analyst.
- Contractor will conduct the inspection no later than 14 days after issuing written notification to the property owner and management company.
- Failure to perform the inspection within the allotted time frame may result in a 10% reduction in the invoiced amount for every two weeks or portion thereof the inspection is delayed (if delay is the fault of Contractor).
- Inspections are expected to begin no later than February 28 of the calendar year and be completed no later than October 31 of the calendar year.
- For each project inspected, Contractor shall prepare and electronically submit via email or secure online repository a **comprehensive and detailed Inspection Report** to the Commission within 72 hours of the date of each inspection visit. The Report is to include the following:
 1. A comprehensive report detailing the condition of the site, building exteriors, common areas, building systems, and dwelling units. UPCS deficiencies must be listed by unit and building number. The report shall include a REAC Level of severity assigned to each deficiency. No REAC score is desired.
 2. A spreadsheet (Microsoft Excel 2016 or compatible) listing all deficiencies must be provided as part of the report (format will be provided by Commission).
 3. Photographs of each deficiency noted in the report, as well as the entrance to the property (including property signage) must be included as part of the report submission.
 4. A completed **Inspection Questionnaire** for each property.
 5. A completed **Tenant Release to Enter Unit** form is property management did not provide advanced written notice of the inspection to the tenants.
 6. Any Exigent Health and Safety (EHS) deficiencies must be verbally identified and property representative(s) must be given an opportunity to correct these deficiencies if time allows. In addition, EHS deficiencies identified must be provided in writing, using a Commission-approved **Exigent Health and Safety Issues** form, to the property representative(s) at the end of the inspection, regardless of status. Any deficiencies corrected during the inspection should be noted in the report as RDI (repaired during inspection).

- a. If an EHS form is issued at the inspection, the inspector will email a scanned copy of the completed EHS form to the property's Commission Portfolio Analyst **within 24 hours** following completion of the inspection.

Specific Work Requirements:

The Commission's specific expectations for how inspections and related activities will be conducted are attached to this RFP as **Attachment II**.

Additional Work Items Which May be Requested by Commission

As determined and requested by the Commission, re-inspection of projects to ensure that they have been brought into compliance may be requested.

1. Re-inspections shall be conducted within 30 days of the Commission's request.
2. Contractor shall prepare and electronically submit a comprehensive and detailed final UPCS Report detailing corrections of prior deficiencies completed for each project re-examined to the Commission within five business days from the date of a re-inspection.

The Contractor shall provide the following services on an "as needed" basis at an hourly rate: Serve as an expert witness on behalf of the Commission for any adjudicative proceedings, including but not limited to contested case hearings and litigation, related to Uniform Physical Condition Standards.

A copy of any communication, i.e. correspondence, documentation, summary of telephone meetings, or other documentation or documented communication relating to this contract, other than the documents specifically bound by timeframes described above, must be provided to the Commission upon request.

PROPOSAL FORMAT

1. Each item in **PROPOSAL CONTENT** section of this Request for Proposals must be addressed.
2. Identify the item to be addressed in the introduction to each response.

PROPOSAL CONTENT

1. An Executive Summary of 1 page which provides a summation of the proposal.
2. The proposal itself, organized according to the following sections:

Part I - Business Organization: State full name and address of your organization and identify parent company if the entity is a subsidiary. Specify the branch office or other subordinate element that will perform, or assist in performing, work herein. Indicate whether the entity operates as a partnership, corporation, or individual. Include the State in which the individual or entity is incorporated or licensed to operate and the organization's Federal tax ID number.

Part II - Program: Describe the standard operating procedures for accomplishing required work. Show how your procedures will satisfy the **Specific Work Requirements** as noted in **Attachment II** of this RFP. Be sure also to include:

- A. A description of your business process. For example, detail the steps to be performed in proceeding from assignment of the inspection by the Commission to completion and submission of reports. Note which steps are performed by an inspector and which steps are performed by support staff or other employees.
- B. Proof of your ability to conduct inspections throughout the State on a timely basis. Include an estimate of average travel time each week and how many inspections your staff would typically complete per day.
- C. A statement of the entity's compliance with all applicable rules and regulations of Federal, State and Local governing entities. Proposer must state the Proposer's intent to comply with the terms of this Request for Proposals.

Part III - Project Management Structure: Provide an organizational chart which specifies project leadership and reporting structure. Identify personnel who would be working with Commission staff. If use of subcontractors is proposed, identify their placement in the structure, and explain how subcontractors are managed.

Part IV - Prior Experience and References: Describe relevant company experience. Provide project title, year, and reference name, as well as title, present address, phone number and email address of principal person for whom prior projects were completed.

Part V - Personnel: Include names, qualifications, including specific training and education, and pertinent certifications and licenses of all professional personnel who will be assigned to this project. State the primary work assigned to this person and the percentage of time each person will devote to this work. Provide resumes and relevant certifications for all key persons identified. Specifically identify the inspectors, either direct employees or contractors, to be assigned to perform inspections in Washington State.

Part VI - Authorized Negotiator: Include name, address, email address, and telephone number of person in the organization authorized to negotiate contract terms and render binding decisions on contract matters.

Part XII – Conflict of Interest: Contractor must disclose and provide an affidavit of any potential conflicts with any of the Commission's affiliated Developments, Owners and/or Management Companies. Inspectors cannot perform an inspection or consult for the owner or active management company of the Commission developments that may be inspected under this contract. This will not include inspections for HUD's Real Estate Assessment Center.

Part XIII - Price Proposal: The proposed method of pricing must be included and described. The bid amount must include all costs associated with the inspection (i.e. travel arrangements, lodging, meals etc.). The following pricing information is required from each bidder:

- A. A rate per unit inspection, including the Inspection Report and all required associated materials.**
- B. A rate per project re-inspection, including the Compliance Report and all required associated materials.
- C. An hourly rate for serving as an expert witness on behalf of the Commission.

Additional information which is reasonably necessary for the Commission to fairly and comprehensively evaluate proposals may be enclosed. It should be limited to information which clarifies and substantiates written responses. All proposals will become the property of the Commission and will not be returned.

SUBMISSION DEADLINE

All proposals must be submitted to Melissa Donahue by 4:00 p.m., Pacific Time, Friday, October 4, 2019. A proposal will be considered late if received at any time after 4:00 p.m. Late proposals will not be considered.

RFP Coordinator at the Commission:

Melissa A. Donahue, Division Manager
Asset Management & Compliance Division
melissa.donahue@wshfc.org

Proposals must be submitted in the following manner:

1. 1 electronic copy emailed to Melissa Donahue
2. 5 physical hard copies mailed to Melissa Donahue at the following address:
WSHFC
ATTN: Melissa Donahue, Asset Mgmt. & Compliance Division
1000 2nd Avenue, Suite 2700
Seattle WA 98104

NO facsimile (FAX) transmitted proposals will be accepted.

Contractors are to rely on written statements and responses issued by the RFP Coordinator. Communication directed to parties other than the RFP Coordinator may result in disqualification of the Contractor.

Revisions to the RFP

In the event it becomes necessary to revise any part of this RFP, addenda will be published on the Commission's website at <http://www.wshfc.org>, and will be posted on the State of Washington's Web Based vendor system at <https://pr-webs-vendor.des.wa.gov/>. For this proposal, the published questions and answers and any other pertinent information shall be provided as an addendum to the RFP and will be placed on the Commission's website as well as the WEBS site.

Questions about the RFP:

Proposers may email the RFP Coordinator with questions regarding the information contained in this RFP no later than 5:00PM Pacific Time on **Wednesday, September 18, 2019**. This will be the sole opportunity to ask questions about the RFP. The RFP Coordinator will respond to all written questions received by 9/25/19 by creating a written **Questions and Answers** document which will be published to the Commission's website, <http://www.wshfc.org>, and Washington State's W.E.B.S. website, <https://pr-webs-vendor.des.wa.gov/>. The Q&A document will be published no later than 5:00PM Pacific Time on **Wednesday, September 25, 2019**.

ADDITIONAL INFORMATION ABOUT THE RFP PROCESS:

The Commission reserves the right to seek clarification of each proposal and the right to negotiate a final contract in its best interest, considering cost effectiveness and the level of time and effort required for the services.

By submitting a proposal, Contractors agree that they waive any claim against the Commission, the State of Washington, and their respective agents, affiliates, officers, and employees for recovery of any costs or expenses incurred in or associated with preparing and submitting a proposal.

Criteria for Evaluating Proposals

The Commission's staff will evaluate all proposals/bids and accept the one(s) that it believes to be in the best interest of the Commission. Price will not be the sole determining factor in the selection of a proposal/bid. The Commission shall not be obligated to award a contract pursuant to this Request for Proposal/Bid and may reject any or all proposals/bids.

Principal considerations will be:

1. The qualifications and relevant experience of the individual personnel assigned to the Master Agreement.
2. Proven ability to provide reporting turnaround and completion of all inspections within the timeframe specified by the Commission.

Award Notice

After completing the evaluation of all proposals and, if deemed necessary, interviews, the selection committee will tentatively select the company that will provide the services. A final award, however, will be contingent upon successful negotiation of a final Master Agreement.

If the Commission is unable to negotiate a mutually satisfactory Master Agreement with its first choice(s), it may, in its sole discretion, negotiate with its secondary choices or cancel and reissue a new RFP.

Selection Process

Oral Interviews May be Required

Written submittals and oral interviews, if considered necessary, will be utilized in selecting the winning proposal. The Commission, at its sole discretion, may elect to select the top scoring finalists from the written evaluation for an oral presentation. The oral presentation will determine the apparently successful proposer. Commitments made by a Contractor at the oral interview, if any, will be considered binding.

Debriefing of Unsuccessful Contractors

Contractors whose proposals have not been selected for further consideration will be notified by e-mail. Only Contractors who have submitted a proposal under the criteria established by the Commission may protest the rejection of a proposal and request a debriefing. Upon request a debriefing will be scheduled with an unsuccessful Contractor. The request for a debriefing must be received by the RFP Coordinator within three (3) business days after the Notification of Unsuccessful Bidder Notice is e-mailed to the bidder. The debriefing must be held within three (3) business days of the request.

Discussion will be limited to a critique of the requesting Contractor's proposal. Comparisons between proposals or evaluations of the other proposals will not be allowed. Debriefing conferences may be conducted in person or on the telephone and will be scheduled for a maximum of one hour.

Protest Procedures

This procedure is available to Contractors who submitted a response to this solicitation and who have participated in a debriefing conference. Upon completing the debriefing conference, the Contractor is allowed three (3) business days to file a protest of the solicitation with the RFP Coordinator. Bidders protesting this solicitation must follow the procedures described below. Protests that do not follow these procedures shall not be considered. This protest procedure constitutes the sole administrative remedy available to bidders under this solicitation.

All protests must be in writing and signed by the protesting party or authorized Agent. The protest must state the grounds for the protest with specific facts and complete statements of the action(s) being protested. A description of the relief or corrective action being requested must also be included. All protests will be addressed to the RFP Coordinator.

Only protests stipulating an issue of fact concerning the following subjects shall be considered:

- A matter of bias, discrimination or conflict of interest on the part of an evaluator.

- Errors in computing the score.
- Non-compliance with procedures described in the procurement document or Commission policy.

Protests not based on procedural matters will not be considered. Protests will be rejected as without merit if they address such issues as: (1) an evaluator's professional judgment on the quality of the proposal, or (2) the Commission's assessment of its own and/or other agencies needs or requirements.

Upon receipt of a protest, a protest review will be held by the Commission. The Director of the Commission or an employee delegated by the Director who was not involved in the procurement will consider the record and all facts available and issue a decision within five (5) business days of receipt of protest unless additional time is required, in which case the protesting party will be notified by the Commission.

In the event a protest may affect the interest of another Contractor that submitted a proposal, such Contractor will be given an opportunity to submit its views and any relevant information on the protest to the RFP Coordinator.

The final determination of the protest shall:

- Find the protest lacking in merit and uphold the Commission's action; or
- Find only technical or harmless errors in the Commission's solicitation process and determine the Commission to be in substantial compliance and reject the protest; or
- Find merit in the protest and provide the Commission options which may include:
 - Correct the errors and re-evaluate all proposals and/or
 - Reissue the solicitation document and begin a new process, or
 - Make other findings and determine other courses of action as appropriate.

If the Commission determines that the protest was without merit, the Commission will enter into a Master Agreement with the apparently successful Contractor. If the protest is determined to have merit one of the alternatives noted in the preceding paragraph will be taken.

Commission Perspective

The Commission has the sole discretion and reserves the right to reject any and all proposals received in response to this RFP and to cancel this solicitation if it is deemed in the best interest of the Commission to do so. Issuance of this RFP in no way constitutes a commitment by the Commission to award a Master Agreement, or to pay Contractor's costs incurred either in the preparation of a response to this RFP or during negotiations, if any, of a Master Agreement for services. The Commission also reserves the right to make amendments to this RFP by giving written notice to Contractors, and to request clarification, supplements and additions to the information provided by a Contractor.

By submitting a proposal in response to this solicitation, Contractors understand and agree that any selection of a Contractor or any decision to reject any or all responses or to establish no Master Agreement shall be at the sole discretion of the Commission. Additionally, by submitting a proposal, Contractors agree that they waive any claim against the Commission, the State of Washington, and their respective officers, employees, and agents for the recovery of any costs or expenses incurred in preparing and submitting a proposal.

No negotiations by the Commission, or any officer, employee, or agent thereof, shall constitute an offer or counteroffer by the Commission. The Commission shall not be bound to any Master Agreement until and unless it's authorized representative has executed a written Master Agreement with a Contractor.

The Commission shall not be required to accept any proposal solely on the basis that it contains the lowest price for completion of the work contemplated by this RFP and the Commission reserves the right to negotiate the final Master Agreement price.

Commission Support for the Contractor

Identified members of the Commission staff will assist in coordinating the work of the Contractor with the Commission staff and other persons as required for the completion of the Master Agreement. The staff will work with the Contractor to complete the work in a timely manner as required by the Master Agreement. Contractor is expected to provide their own materials necessary to complete the work under the Master Agreement Contract.

Management of Contract

The Contractor will be expected to meet on a periodic basis with the Commission's lead staff person to report on progress toward completing specific work under the Master Agreement Contract.

Method and Schedule of Contract Payment

The Contractor will submit an invoice for payment at the beginning of the month following a month of services completed. The Commission will pay each invoice with 30 days in the form of a check mailed to the Contractor.

Contract Terms

The Master Agreement shall contain the terms set forth in the below section titled "**MASTER AGREEMENT AND GENERAL TERMS AND CONDITIONS**" and in **Attachment I** and **Attachment II** hereto and other terms and conditions customary for this type of contract.

MASTER AGREEMENT AND GENERAL TERMS AND CONDITIONS

The apparent successful Contractor will be expected to enter into the Master Agreement generated by the Commission in accordance with guidelines provided by the State of Washington, including its general terms and conditions (as set forth in Attachment I hereto), and other standard provisions customary to such services agreements. In no event is the Contractor to submit its own standard terms and conditions in response to this procurement. The Contractor may submit exceptions to the general terms and conditions. The Commission will review requested exceptions and accept or reject the same at its sole discretion.

Insurance Coverage

The selected Contractor is to furnish the Commission with a certificate(s) of insurance executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements set forth below.

The Contractor shall, at its own expense, obtain and keep in force insurance coverage that shall be maintained in full force and effect during the term of the Master Agreement. The Contractor shall furnish evidence in the form of a Certificate of Insurance that insurance shall be provided, and a copy shall be forwarded to the Commission within fifteen (15) days of the Master Agreement effective date.

Liability Insurance

- 1) Commercial General Liability Insurance: Contractor shall maintain general liability (CGL) insurance and, if necessary, commercial umbrella insurance, with a limit of not less than \$1,000,000 per each occurrence. If CGL insurance contains aggregate limits, the General Aggregate limit shall be at least twice the "each occurrence" limit. CGL insurance shall have products-completed operations aggregate limit of at least two times the "each occurrence" limit. All insurance shall cover liability assumed under an insured contract (including the tort liability of another assumed in a business contract), and contain separation of insured's (cross liability) condition.
- 2) Additionally, the Contractor is responsible for ensuring that any Sub-Contractors provide adequate insurance coverage for the activities arising out of subcontracts. In the event that services delivered pursuant to this contract involve the use of vehicles, either owned or unowned by the Contractor, automobile liability insurance shall be required. The minimum limit for automobile liability is:

\$1,000,000 per occurrence, using a Combined Single Limit for bodily injury and property damage.

- 3) The insurance required shall be issued by an insurance company/ies authorized to do business within the state of Washington, and shall name the state of Washington, its agents and employees as additional insureds under the insurance policy/ies.

All policies shall be primary to any other valid and collectable insurance. Contractor shall instruct the insurers to give the Commission thirty (30) calendar days advance notice of any insurance cancellation.

Contractor shall submit to the Commission within fifteen (15) calendar days of the contract effective date, a certificate of insurance that outlines the coverage and limits defined in the Insurance section. Contractor shall submit renewal certificates as appropriate during the term of the contract.

Employers Liability ("Stop Gap") Insurance

In addition, the Contractor shall buy employers liability insurance and, if necessary, commercial umbrella liability insurance with limits not less than \$1,000,000 each accident for bodily injury by accident or \$1,000,000 each employee for bodily injury by disease.

Additional Provisions

Above insurance policy shall include the following provisions:

1. Additional Insured. The state of Washington, Washington State Housing Finance Commission, its elected and appointed officials, agents and employees shall be named as an additional insured on all general liability, excess, umbrella and property insurance policies. All insurance provided in compliance with the Master Agreement shall be primary as to any other insurance or self-insurance programs afforded to or maintained by the State.
2. Cancellation. State of Washington, Washington State Housing Finance Commission shall be provided written notice before cancellation or non-renewal of any insurance referred to therein, in accord with the following specifications. Insurers subject to 48.18 RCW (Admitted and Regulation by the Insurance Commissioner): The insurer shall give the State forty-five (45) days advance notice of cancellation or non-renewal. If cancellation is due to non-payment of premium, the State shall be given ten (10) days advance notice of cancellation. Insurers subject to 48.15 RCW (Surplus lines): The State shall be given twenty (20) days advance notice of cancellation. If cancellation is due to non-payment of premium, the State shall be given ten (10) days advance notice of cancellation.
3. Identification. Policy must reference the State's contract number and the agency name.
4. Insurance Carrier Rating. All insurance and bonds should be issued by companies admitted to do business within the state of Washington and have a rating of A-, Class VII or better in the most recently published edition of Best's Reports. Any exception shall be reviewed and approved by Washington State Housing Finance Commission. If an insurer is not admitted,

all insurance policies and procedures for issuing the insurance policies must comply with Chapter 48.15 RCW and 284-15 WAC.

5. Excess Coverage. By requiring insurance herein, the State does not represent that coverage and limits will be adequate to protect Contractor, and such coverage and limits shall not limit Contractor's liability under the indemnities and reimbursements granted to the State in this Master Agreement.

Worker's Compensation Coverage

The Contractor will at all times comply with all applicable workers' compensation, occupational disease, and occupational health and safety laws, statutes, and regulations to the full extent applicable.

Attachment One (I)

SELECTED STANDARD TERMS AND CONDITIONS

By submitting a response to this Request for Proposal, the Contractor agrees to acceptance of the following Standard Terms and Conditions and any other provisions that are specific to this solicitation and standard for Master Agreement.

ASSIGNMENT, TRANSFER AND SUBCONTRACTING: The Contractor shall not assign, transfer or subcontract any portion of the Master Contract without the express written consent of the Commission.

COMPLIANCE WITH LAWS: The Contractor must, in performance of work under the Master Agreement, fully comply with all applicable federal, state, or local laws, rules and regulation. Any subletting or subcontracting by the Contractor subjects Sub-Contractors to the same provision. The Contractor agrees that the hiring of persons to perform the contract will be made on the basis of merit and qualifications and there will be no discrimination based upon race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin by the persons performing the contract.

CONFORMANCE WITH MASTER AGREEMENT: No alteration of the terms, conditions, delivery, price, quality, quantities, or specifications of the Master Agreement shall be granted without prior written consent of the Commission.

FACSIMILE RESPONSES: Facsimile responses will not be accepted for responses to this Request for Proposal.

FORCE MAJEURE: Neither party shall be responsible for failure to fulfill its obligations due to causes beyond its reasonable control, including without limitation, acts or omissions of government or military authority, acts of God, materials shortages, transportation delays, fires, floods, labor disturbances, riots, wars, terrorist acts, or any other causes, directly or indirectly beyond the reasonable control of the nonperforming party, so long as such party is using its best efforts to remedy such failure or delays.

HOLD HARMLESS/INDEMNIFICATION: The Contractor agrees to protect, defend, and save the Commission, its agents and employees, while acting within the scope of their duties as such, harmless from and against all claims, demands, causes of action of any kind or character, including the cost of defense thereof, arising in favor of the Contractor's employees or third parties on account of bodily or personal injuries, death, or damage to property arising out of services performed or omissions of services or in any way resulting from the acts or omissions of the Contractor and/or its agents, employees, representatives, assigns, Sub-Contractors, except the sole negligence of the Commission, under the Master Agreement.

MASTER AGREEMENT: The apparent successful Contractor will be expected to enter into a Master Agreement generated by the Commission in accordance with guidelines provided by the

State of Washington, including its general terms and conditions (as set forth in Attachment I hereto), and other standard provisions customary to such services agreements.

MILESTONES, ACCEPTANCE AND PAYMENT: The Contractor's performance and payment shall be tied to milestones as set forth in the Master Agreement and corresponding Statements of Work.

MINORITY AND WOMEN-OWNED BUSINESS PARTICIPATION

Minority and women-owned businesses that are qualified to perform the work desired under this contract are encouraged to apply. The Commission has a goal of supporting women or minority owned businesses. However, no preference will be included in the evaluation of proposals. No minimum level of MWBE participation shall be required as a condition of receiving an award and proposals will not be rejected or considered non-responsive on that basis.

OWNERSHIP OF PROPRIETARY INFORMATION AND INTELLECTUAL PROPERTY: The deliverables will have been specially ordered and commissioned by the Commission. Contractor agrees that all proprietary and intellectual property rights in the deliverables shall be owned by the Commission and the deliverables shall be "works made for hire". Contractor agrees to assign to the Commission, its successors and assigns, all rights, title and interest in and to the deliverables. Contractor and the Commission acknowledge that each party's existing proprietary information and intellectual property will remain the property to the respective party. Contractor warrants that it has the right to use all proprietary information and intellectual property used to fulfill its obligations under the Master Agreement.

SERVICES: The Contractor will provide the services and personnel as set forth in various mutually agreed statements of work or mutually agreed proposal documents (each, a "Statement of Work" or "SOW"). Each SOW's terms will specify the Contractor's duties and responsibilities as to the respective set of services described in that SOW. Each Statement of Work will specify the purpose, scope, responsibilities, timing and fees prior to work on each individual project and will be consistent with the response to this Request for Proposal.

TERM OF MASTER AGREEMENT: The initial term of the Master Agreement will be for a one-year period with an option to renew for up to 3 additional one-year periods, at the sole discretion of the Commission.

TERMINATION OF MASTER AGREEMENT: Unless otherwise stated, the Commission may, by written notice to the Contractor, terminate the Master Agreement in whole or in part at any time the Contractor materially fails to perform the Master Agreement.

LICENSE TO USE OF DELIVERABLES - OTHER GOVERNMENTAL ENTITIES: The Contractor acknowledges and agrees that the Commission may permit other governmental entities within Washington State, including without limitation the Department of Commerce, to use the deliverables that are provided to the Commission pursuant to the Master Agreement.

Attachment Two (II)

SPECIFIC WORK REQUIREMENTS

Commission agrees to provide the following to Contractor:

1. Project list with property and contact information, number of units to be inspected, general property location and Commission contact for each property
2. Initial inspection notification email template
3. **Inspection Unit Audit** form for each property
4. **Inspection Questionnaire** for each property
5. **Tenant Release to Enter Unit** form for unit inspection (when owner has not given advanced written notice of inspection)
6. **Exigent Health and Safety** form (unless inspection company has their own)
7. Custom Excel deficiency grid (all recorded deficiencies from inspection report must be copied and pasted or downloaded into Commission's custom deficiency grid Excel file)

Contractor agrees to conduct inspections according to the following:

WSHFC TAX CREDIT PROPERTY PRE-INSPECTION STEPS

- Email property's authorized signer, property manager and compliance specialist (if a comp spec is noted in Commission's project contact list) of upcoming inspection date.
 - Notice must be given 14 days prior to the inspection date. Example: If inspection date is scheduled for August 19, 2019, notification email must be sent no later than Monday, August 5, 2019.
 - Do not schedule any inspection to start prior to 9:00AM or end after 5:00PM. Do not schedule any inspection on a Saturday or Sunday.
- Confirm you have both the **Inspection Unit Audit** form and the **Inspection Questionnaire** for the property to be inspected. If either form is missing, contact the Commission's property Portfolio Analyst to request another copy.
- Make sure you have a hard copy of the **Tenant Release to Enter Unit** form, both pages.
- If the project has more than one site to visit, note whether or not sites are in different cities or counties and be sure to plan out your visit to all the sites (e.g., if you will need more than one day to complete the inspection)
- Three (3) business days prior to inspection, call the property manager contact and confirm inspection date.
 - If project has more than one site in another city or county, talk to property manager about best way to inspect the additional sites. Ask property manager contact for additional contact information for the other sites, if needed, and confirm inspection with other sites as well.

- Confirm time and place to meet property escort
- Remind project (and each site) to issue a written 48 Hour Notice of Inspection to residents prior to inspection date

STEPS ON DAY OF INSPECTION

- Contact property escort (PE) by phone and email if you are going to be late
- Display your company ID badge at all times

Review of Rent Roll, System Certificates and Completion of Inspection Questionnaire

- Ask the PE for an available office space or common area to sit down and complete the Commission's **Inspection Questionnaire** prior to conducting the physical inspection.
- Request to see copy of notification sent to residents, be sure to check this item on the **Inspection Questionnaire**
- If residents have not been notified in writing, show PE the Commission's **Tenant Release to Enter Unit** form and tell them that you are going to conduct the inspection and will attempt to inspect units by verbally asking tenants for permission to enter unit.
 - Tenants who agree to allow inspection of their units will sign and date the **Tenant Release to Enter Unit** form.
 - After the inspection, a copy of the form will be left with the PE and a copy will be sent to the Commission.
- Request copy of rent roll from PE and use it to assist you in completing the **Inspection Questionnaire**.
- All Buildings must be identified with unique address; make sure you are able to tie each Building and address back to the appropriate tax credit BIN on the **Inspection Unit Audit** form.
- All Units must be identified and associated with a Building; make sure you are able to match the Units noted on the Commission's **Inspection Unit Audit** form with the PE's rent roll.
- Each Unit must clearly display its number of bedrooms
- Each Unit must be clearly identified as Occupied or Vacant
- For Vacant units, ask the PE if any of the Vacant units are unavailable to be rented
 - If the PE confirms there are Units not rent-ready, ask for the oldest move-out date of the offline units
 - Confirm whether or not the non rent-ready units are offline due to a casualty loss – plan to look at one of these offline units during the inspection.
- Complete the remaining pages of the **Inspection Questionnaire** with the PE
- Review building system certificates for applicable systems (e.g., elevators, boilers, fire extinguishers, lead based paint inspection report, etc.)
- After the **Questionnaire** is completed, enter your name, your company's name, your signature and the date of form completion at the bottom of page 4.
- Print or photocopy the form for the PE's records. Send the original to the Commission with your report after the inspection.

Physical Visual Verification of the Project

- PE must accompany inspector at all times
- PE will need to be prepared with necessary keys to access all areas
- Inspector must be able to view all sides of every building and the full site
- Verification of building exteriors and site can be done by walking or driving the property
- Inspector must inspect all Buildings at a tax credit property
 - Even if no Units will be inspected in a Building, the inspector must inspect some aspect of the Building. Examples of inspectable areas include:
 - Building HVAC system
 - Building exterior
 - Building common area
- Inspector will inspect the Units listed on the Commission's **Inspection Unit Audit** form. If any unit is vacant or offline, do NOT look at another unit in its place, inspect only those units on the Commission's list.
 - Exceptions: If a tenant refuses entry to their unit or the PE states that one of the selected units may be hazardous or otherwise physically impossible to enter, the inspector may inspect another unit in its place.
 - The reason for not inspecting the unit from the audit list must be clearly noted in the inspection report.
 - Be sure to note on inspection report the Unit ID of any unit being inspected in place of a unit on the audit list.
- Inspector must keep PE in sight at all times while on the property
- PE will need to open closed doors before entering a building, before entering a unit, and before entering any rooms within a unit (except for closets)
- Discuss elevator equipment room & off-site monitored systems if applicable
- Inspector must inspect all inspectable items at 8' from floor or below, such as smoke detectors, doors, windows, sink faucets, tub/shower items, etc. (PE cannot assist with any inspectable items)
- PE will need to clear area (move drapes, move blinds, move residents' personal items) so inspector can inspect all inspectable items
- Failure of PE to move items so inspector can inspect inspectable items will result in those items being recorded as defective
- Only exceptions to inspector inspecting all inspectable items:
 - PE must turn on/off stove/oven while inspector is watching
- All inspectable items over 8 feet from floor must be inspected by PE while inspector is watching, or a defect must be recorded for those items
- All defects must be recorded when observed
 - During the inspection, inspector will verbally state every defect (including inspectable area, inspectable item, inspectable defect & level of defect)

- Inspector must add comments to report to explain deficiencies so Commission staff can easily confirm what must be fixed
- If any item from the inspection qualifies as an Exigent Health and Safety issue, the item must be documented on an **EH&S** form
 - Inspector must tell PE that the Commission requires all EH&S items to be fixed within 72 hours of inspector notification and that EH&S items not fixed immediately may be grounds for reporting to the IRS as noncompliance.
 - **EH&S** form should be completed at end of inspection and a copy given to the PE.
 - The original should be emailed to the Commission's property Portfolio Analyst within 24 hours of the end of the inspection.

Post Inspection

Entire inspection report, including Excel file deficiency grid, photos, completed **Tenant Release to Enter Unit** (if applicable) and completed **Inspection Questionnaire** must be available to Commission staff for download within 72 hours of the end of the inspection.