



10400 Detrick Avenue  
Kensington, MD 20895-2484  
(240) 627-9425



## **Budget, Finance and Audit Committee**

**September 6, 2023**

**3:00 p.m.**

**Livestream: <https://www.youtube.com/watch?v=QGJLZL8Z9t0>**

**HOC will conduct its September 6, 2023 Budget, Finance and Audit Committee Meeting virtually only. There will be no in-person meeting. The public is invited to attend the meeting via the Livestream link.**

### **Approval of Minutes:**

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### **Discussion/Action Items:**

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2. Approval of the Selection of Gilson Housing Partners as the Independent Contractor to Conduct Housing Quality Standards ("HQS") Inspections for the Housing Choice Voucher Program and other Residential Inspections	15

# Minutes

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY**

10400 Detrick Avenue  
Kensington, Maryland 20895  
(240) 627-9425

**Budget, Finance and Audit Committee Minutes**

**May 19, 2023**

For the official record of the Housing Opportunities Commission of Montgomery County, an open meeting of the Budget, Finance and Audit Committee was conducted via a hybrid platform (with some participating in-person and some participating online/via teleconference) on Friday, May 19, 2023, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 10:03 a.m. There was a livestream of the meeting held on YouTube, available for viewing [here](#). Those in attendance were:

**Present in Person**

Richard Y. Nelson, Jr., Chair  
Jeffrey Merkowitz – Chair Pro Tem, Commissioner

**Via Zoom**

Frances Kelleher, Vice Chair, Commissioner

**Also Attending**

Chelsea Andrews, Executive Director  
Kayrine Brown, Deputy Executive Director  
Terri Fowler, Budget Officer  
Vivian Ikoru  
Deanna Wharwood  
John Wilhoit

Timothy Goetzinger, Acting Chief Financial Officer  
Aisha Memon, General Counsel  
Zachary Marks  
John Brouilliere  
Richard Congo

**Via Zoom**

Sean Asberry  
Nilou Razeghi  
Francisco Vega

Eugenia Pascal  
Darcel Cox  
Marcus Ervin

**IT Support**

Aries “AJ” Cruz

**Commission Support**

Jocelyn Koon, Senior Executive Assistant

Committee Chair Nelson opened the meeting with a welcome and introduction of Commissioner Kelleher, Commissioner Merkowitz, Commissioner Kelleher, and the Executive Director. Commissioner Nelson began the meeting with the approval of the minutes.

### **APPROVAL OF MINUTES**

The minutes of May 12, 2023 meeting were approved as submitted with a motion by Commissioner Nelson and seconded by Commissioner Merkowitz. Affirmative votes were cast by Commissioners Merkowitz, Nelson and Kelleher,

### **ACTION/DISCUSSION ITEMS**

- 1. Fiscal Year 2023 Third Budget Quarter Budget to Actual Statements Presentation:**  
Presentation of the Third Quarter FY'23 Budget to Actual Statements

Chelsea Andrews, Executive Director, provided an overview of the presentation and introduced Timothy Goetzinger, Chief Development Funds Officer/Acting Chief Financial Officer, and Terri Fowler, Budget Officer who provided the presentation on the FY 2024 General Fund. Staff addressed questions of the Commission. No formal action was taken.

- 2. Fiscal Year 2023 Third Quarter Unaudited Financial Statements:** Presentation of the Unaudited Financial Statements for the Third Quarter ended March 31, 2023

Timothy Goetzinger, Chief Development Funds Officer/Acting Chief Financial Officer, provided an overview of the presentation and introduced Francisco Vega, Assistant Controller, who provided the presentation on the Third Quarter FY'23 Budget to Actual Statements. There were no questions to be addressed by the Commission. Commissioner Merkowitz made a motion to accept the Third Quarter Unaudited Financial Statements, seconded by Commissioner Kelleher. Affirmative votes were cast by Commissioners Merkowitz, Nelson, and Kelleher.

- 3. Uncollectible Tenant Accounts Receivable:** Presentation of Request to Write-Off Uncollectible Tenant Accounts Receivable (January 1, 2023-March 31, 2023)

Timothy Goetzinger, Chief Development Funds Officer/Acting Chief Financial Officer, provided an overview of the presentation and introduced Nilou Razeghi, Accounting Manager, who provided the presentation. Staff addressed questions of the Commission. Commissioner Kelleher made a motion to join with staff's recommendations to the commission authorizing the write-off of uncollectible tenant accounts receivable, seconded by Commissioner Merkowitz. Affirmative votes were cast by Commissioners Merkowitz, Nelson and Kelleher.

**4. Calendar Year 2022 Audits:** Presentation of Calendar Year 2022 Low Income Housing Tax Credit Partnerships and Limited Liability Company Audits.

Timothy Goetzinger, Chief Development Funds Officer/Acting Chief Financial Officer, provided an overview of the presentation and introduced Claudia Wilson, Accounting Manager, who provided the presentation on the Calendar Year 2022 Audits. Staff addressed questions of the Commission. Commissioner Merkowitz made a motion to join with staff's recommendations to the Commission to accept the Calendar Year 2022 Audits, seconded by Commissioner Kelleher. Affirmative votes were cast by Commissioners Merkowitz, Nelson, and Kelleher.

**5. Calendar Year 2023 (CY'23) HOC at Westside Shady Grove, LLC (The Laureate) Budget Amendment:** Presentation of CY'23 HOC at Westside Shady Grove, LLC (The Laureate) Budget Amendment

Timothy Goetzinger, Chief Development Funds Officer/Acting Chief Financial Officer, provided an overview of the presentation and introduced Terri Fowler, Budget Officer, who provided the presentation on the Calendar Year 2023 (CY'23) HOC at Westside Shady Grove, LLC (The Laureate) Budget Amendment. Staff addressed questions of the Commission. Commissioner Merkowitz made a motion to join with staff's recommendations to the Commission to accept the Calendar Year 2023 (CY'23) HOC at Westside Shady Grove, LLC (The Laureate) Budget Amendment, seconded by Commissioner Kelleher. Affirmative votes were cast by Commissioners Merkowitz, Nelson, and Kelleher.

**6. Calendar Year 2023 (CY'23) Elizabeth House III LP (The Leggett) Budget Amendment:** Presentation of CY'23 Elizabeth House III LP (The Leggett) Budget Amendment

Timothy Goetzinger, Chief Development Funds Officer/Acting Chief Financial Officer, provided an overview of the presentation and introduced Terri Fowler, Budget Officer, who provided the presentation. Staff addressed questions of the Commission. Commissioner Merkowitz made a motion to join with staff's recommendations to the Commission to accept the Calendar Year 2023 (CY'23) Elizabeth House III LP (The Leggett) Budget Amendment, seconded by Commissioner Kelleher. Affirmative votes were cast by Commissioners Merkowitz, Nelson, and Kelleher.

**7. Property Management Contracts:** Approval Additional Extension of Property Management Contracts Expiring June 30, 2023 for: Alexander House, Cider Mill Apartments, Diamond Square, Fenton Silver Spring, Forest Oaks Towers, Georgian Court, Brookside Glen, Glenmont Crossing, Glenmont Westerly, Greenhills Apartments, MetroPointe Apartments, The Oaks at Four Corners, Stewartown Homes, and Westwood Tower; and

Approval Additional Extension of Property Management Contracts Expiring September 30, 2023 for: Camp Hill Square, Pooks Hill Court, Pooks Hill Tower, RAD 6 Development Corp. (Ken Gar, Parkway Woods, Sandy Spring Meadow, Seneca Ridge, Towne Centre Place, Washington Square), Residences on the Lane, Shady Grove Apartments, Spring Garden, and The Willows of Gaithersburg

Chelsea Andrews, Executive Director, provided an overview of the presentation and introduced Alex Torton, Asset Manager, who provided the presentation on the Extension of Property Management Contracts. Staff addressed questions of the Commission. Commissioner Merkowitz made a motion to join with staff's recommendations to the Commission to extend the Property Management Contracts, seconded by Commissioner Kelleher. Affirmative votes were cast by Commissioners Merkowitz, Nelson and Kelleher.

**8. Action Plan Update:** Update on the Action Plan in Response to Specific Audit Findings from the FY2022 Single Audit

Chelsea Andrews, Executive Director, provided an overview of the presentation and introduced Darcel Cox, Chief Compliance Officer, who provided the presentation on the Action Plan Update. Staff addressed questions of the Commission. No formal action was taken.

Based upon this report and there being no further business to come before this session of the Budget, Finance and Audit Committee, the meeting adjourned at 11:20 a.m.

Respectfully submitted,

Chelsea Andrews  
Secretary-Treasurer

/jlk

# Discussion Items

## MEMORANDUM

**TO:** Housing Opportunities Commission of Montgomery County  
Budget, Finance and Audit Committee

**VIA:** Chelsea Andrews, Executive Director

**FROM:** Staff: Timothy Goetzinger, Acting Chief Financial Officer  
Terri Fowler, Budget Officer

**RE:** **County FY'25-30 Capital Improvements Program Budget:** Presentation of the  
County FY'25-30 Capital Improvements Program Budget

**DATE:** September 6, 2023

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### BACKGROUND:

This year, the Montgomery County Office of Management and Budget (“OMB”) will prepare the biannual Capital Improvements Program (“CIP”) Budget for presentation to the County Executive and County Council. HOC must submit requests for capital funding for the next six years to OMB by September 7, 2023. Staff has requested and received approval to submit after the deadline to allow for Commission approval at the September 13, 2023 meeting.

The County operates its capital program with a six-year CIP, which is reviewed annually, but subject to significant modification on a biannual basis. If HOC wishes to continue to receive CIP funding for its ongoing CIP projects, it must submit requests at this time.

### EXISTING CAPITAL PROJECTS

As in prior years, HOC must provide a CIP submission to renew its current level of funding in the two revolving loan funds and the bond guarantee projects. HOC’s current County CIP includes six projects:

1. **MPDU/Property Acquisition Fund (“MPDU/PAF”):** a revolving loan fund of \$12.5 million available to HOC or its designees for interim financing for the acquisition of MPDUs, existing buildings and land;
2. **Opportunity Housing Development Fund (“OHDF”):** a revolving loan fund of \$4.5 million available to HOC or its designees for interim financing for certain housing development costs;
3. **County Guaranteed Bond Projects:** General Obligation Bond guarantee authority in the amount of \$50 million;

It is also prudent to remind the County of the importance of maintaining the current allocations in the following projects.



#### 4. Continued Support of \$1,250,000 annually for Supplemental Funds for Deeply Subsidized HOC and Affiliate Owned Unit Improvements

- Historically, this project was used to supplement the funds received from the U.S. Department of Housing and Urban Development (“HUD”) for improvements to the Public Housing stock. In 2014, HOC requested that the original project title, “Supplemental Funds for Public Housing Improvements”, be expanded to allow these funds to be used for “Deeply Subsidized HOC Owned Unit Improvements” to allow the funds to be used on the Public Housing units both pre- and post-conversion.
- The project was expanded to allow the funds to be used on HOC and Affiliate Owned income-restricted scattered site units.
- The Commission’s portfolio includes hundreds of income-restricted scattered site units throughout the County most of which are approximately 30 years of age. Many of these units were acquired into a Low Income Housing Tax Credit (“LIHTC”) limited partnership more than 15 years ago and are subject to continued affordability restrictions under the LIHTC program. In addition, other units are simply older Moderately Priced Dwelling Units (“MPDUs”) that continue to be restricted to low- and moderate-income households.
- These units are in need of renovation in order to continue to serve eligible households. With significant debt remaining on some of these units, the net operating income from the affordably priced units cannot support both the repayment of that debt and the additional proceeds needed to complete a comprehensive scope of renovation, which includes new windows, roof replacement, installation of energy-efficient heating and air conditioning systems, electrical and plumbing repairs, new flooring, new lighting, new cabinetry, installation of energy-efficient appliances, and new bathrooms.
- The FY’21 annual funding of \$1.25 million was reduced by \$125,000 in the FY’21 County Revised Spending Plan resulting in funding of \$1.125 million. In FY’22 funding was restored to \$1.25 million annually and maintained at that level for FY’23 and FY’24.
- CIP funds are being used to focus on repairs and renovation of those units where renovations are required and the properties cannot support additional debt. The final scope for the renovation of approximately 40 units is in process with HOC’s Procurement Office for solicitation of a contractor to complete the work. The renovation scope includes full interior upgrades, critical system updates, and exterior enhancements such as windows, doors, and roofing. The average estimated cost per unit for renovations has increased to approximately \$120,000. The renovations will be executed in four (4) phases:
  - Phase I: 11 units

- Phase II: 10 units
  - Phase III: 10 units
  - Phase IV: 9 units
- In addition to full unit renovations, we are utilizing the funding to address capital improvements on the exteriors of individual units such as roofs, gutters, windows, etc. Staff anticipates utilizing all available scattered site funding by the end of FY'24.
  - Based on the new average cost for units requiring full interior and exterior renovations of \$120,000, the annual funding of \$1.25 million would allow for full renovations of approximately 10 units; however, more units may be addressed if full renovations are not required. Continued funding at the \$1.25 million level will support the ongoing repairs and renovations of the severely distressed scattered site units.
  - This project is directly related to accomplishing the following County Executive priority outcomes:
    - An Affordable, Welcoming County for a Lifetime
    - Thriving Youth and Families
    - A Greener County
    - Effective, Sustainable Government
    - Safe Neighborhoods
    - A Growing Economy

**5. Washington Suburban Sanitary Commission (“WSSC”) Sewer and Storm Line Improvements at Elizabeth Square (“ES”) - \$1,225,000**

- The original FY’23-28 County CIP budget funding of \$705,000 was increased to \$1,225,000 to accommodate several modifications to the original sewer and storm line improvements required by the county to support the two parts to the improvements:
  - Increase WSSC sewer line capacity to a minimum of 15 inches, and
  - Install a new temporary 15-inch storm line.
- HOC’s original 2017 Sewer and Storm Line improvement plans were approved by WSSC for Elizabeth Square and included the replacement of the 10-inch sewer line with 12-inch line. The sewer line to be replaced was on the west portion of the Washington Metropolitan Area Transit Authority (“WMATA”) and CSX tracks and did not go under the tracks. The current proposed Purple Line Development sewer line replacement conflicted with the approved HOC sewer plan from 2017. The Purple Line was required to design an alternate route under the tracks. The Purple Line Plan (“PLP”) was approved by WSSC for this alternative route, and is a 10-inch line replacement. WSSC no longer accepted the HOC 2017 plans and required HOC

to install at **minimum** a 15-inch sewer line along the alternate route to meet the capacity of the Elizabeth Square and the proposed HOC Headquarters building at Fenwick Lane and Second Avenue. They instructed HOC to work with the PLP to ensure the revised plans were in effect before The Leggett, formerly known as Elizabeth House III, and the South County Regional Recreation and Aquatic Center (“SCRRAC”) building obtained **final** occupancy permit.

- **Project Timeline:**
  - The original target was to finalize the sewer upgrades by March 2023, ensuring alignment with The Leggett's final occupancy certification.
  - Delays encountered by WMATA caused a shift in this timeline, affecting both The Leggett and the SCRRAC's final occupancy permits.
  - As a result, a provisional occupancy agreement was established, restricting occupancy for The Leggett and the original Elizabeth House to only 166 units until the Purple Line Project finished its sewer upgrades.
  
- **Recent Developments:**
  - **Sewer Line Upgrades Completion**
    - On May 8, 2023, HOC was informed by WSSC about the successful installation and testing of the necessary sewer line upgrades for The Leggett.
    - This marked a significant milestone, lifting the prior occupancy restriction on The Leggett's remaining 166 units.
  
  - **Full Occupancy Approval:**
    - After this crucial upgrade, HOC collaborated with the Department of Permitting Services (“DPS”) to seek full occupancy authorization for The Leggett.
    - Leasing activities and the first resident move-ins commenced following substantial completion on March 7, 2023.
  
  - **MTA and HOC Settlement:**
    - On April 5, 2023, MTA presented an offer of \$995,000, a reduction from the earlier \$1.157MM, as a settlement for the HOC's incremental expenses concerning the sewer line enhancements.
    - This agreement came across as reasonable, especially considering unforeseen field issues, challenges with contractors, alterations by WSSC, and the prevailing market conditions.
    - The final pricing will result in a savings of \$230,000 in current revenue released from the County obligation.
  
- This project is directly related to accomplishing the following County Executive priority outcomes and signature initiatives:
  - A More Affordable, Welcoming County for a Lifetime

- Thriving Youth and Families
- Effective, Sustainable Government
- Safe Neighborhoods
- A Growing Economy
- Advancing Racial Equity & Social Justice
- Improving Economic and Community Development
- Fighting Climate change
- Increasing & Preserving Affordable Housing

**6. Elizabeth House Demolition - \$1,500,000**

- The Amendment to the FY’23-28 CIP Budget partially fund the Elizabeth House Demolition for \$1,500,000. The project programmed \$1.5M of County funding through Current Revenue. The total estimated cost of the project was \$3M (of which HOC will contribute the remaining \$1.5M, including \$1M through the Department of Housing and Community Affairs (“DHCA”) housing loan).
- **Latest Developments:**
  - **Contractor Selection:** At the Commission Meeting held on April 5, 2023, HOC selected the Berg Corporation with a bid of \$2.29MM for the demolition.
  - **Current Status:** As of August 2023, Elizabeth House's existing tenants have all been relocated. The Berg Corporation has commenced pre-demolition activities.
  - **Projected Completion:** The entire demolition process is expected to conclude by Spring/Summer CY2024.
- This project is directly related to accomplishing the following County Executive priority outcomes and signature initiatives:
  - A More Affordable, Welcoming County for a Lifetime
  - Thriving Youth and Families
  - A Greener County
  - Effective, Sustainable Government
  - Safe Neighborhoods
  - A Growing Economy
  - Advancing Racial Equity & Social Justice
  - Improving Economic and Community Development
  - Fighting Climate change

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**ISSUES FOR CONSIDERATION:**

Does Budget Finance and Audit Committee wish to join staff’s recommendation that the Commission authorize the submission of the County FY’25-30 Capital Improvements Program Budget of \$88,127,000, which requests that the County continue funding the current annual allocation of \$1,250,000 for Supplemental Funds for Deeply Subsidized HOC and Affiliate Owned Unit Improvements?

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**BUDGET IMPACT:**

There is no budget impact on the FY'24 Adopted Budget. Funds that are appropriated by the County Council will be included in the FY'25 Adopted Budget.

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**TIME FRAME:**

For informal discussion at the September 6, 2023 Budget, Finance and Audit Committee meeting.  
For formal Commission action at the September 13, 2023 meeting.

The County FY'25-30 Capital Improvements Program Budget submission is due to the County by September 7, 2023. Staff has requested and received approval to submit after the deadline to allow for Commission approval at the September 13, 2024 meeting.

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**RECOMMENDATION:**

Staff recommends that the Budget, Finance and Audit Committee join its recommendation that the Commission authorize the submission of the County FY'25-30 Capital Improvements Program Budget, totaling \$88,127,000.

## Attachment

### Summary

#### Proposed FY'25-30 CIP Request (\$000)

Project	Total	Through FY'23	Remaining FY'24	6 year Total	FY'25	FY'26	FY'27	FY'28	FY'29	FY'30
MPDU/PAF Fund	\$12,507	\$12,507	\$12,507	\$12,507	\$0	\$0	\$0	\$0	\$0	\$0
Opportunity Housing Development Fund	\$4,500	\$4,500	\$4,500	\$4,500	\$0	\$0	\$0	\$0	\$0	\$0
G.O. Bonds	\$50,000	\$50,000	\$50,000	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0
Supplemental Funds for Deeply Subsidized HOC Owned Units Improvements	\$18,625	\$7,062	\$4,063	\$7,500	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250
WSSC Infrastructure Project for Sewer and Storm Line Improvements for ES	\$995	\$0	\$995	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Demolition Fund for Elizabeth House	\$1,500	\$0	\$1,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL FY'25-30 REQUEST</b>	<b>\$88,127</b>	<b>\$74,069</b>	<b>\$73,565</b>	<b>\$74,507</b>	<b>\$1,250</b>	<b>\$1,250</b>	<b>\$1,250</b>	<b>\$1,250</b>	<b>\$1,250</b>	<b>\$1,250</b>

# **APPROVAL OF THE SELECTION OF GILSON HOUSING PARTNERS AS THE INDEPENDENT CONTRACTOR TO CONDUCT HOUSING QUALITY STANDARDS INSPECTIONS FOR THE HOUSING CHOICE VOUCHER PROGRAM AND OTHER RESIDENTIAL INSPECTIONS**

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**CHELSEA J. ANDREWS, EXECUTIVE DIRECTOR**

KAYRINE V. BROWN, DEPUTY EXECUTIVE DIRECTOR  
LYNN HAYES, DIRECTOR OF HOUSING RESOURCES

SEPTEMBER 6, 2023

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# EXECUTIVE SUMMARY

- HOC is required to conduct initial Housing Quality Standard (“HQS”) inspections for all Housing Choice Voucher (“HCV”) families prior to executing the Housing Assistance Payment (“HAP”) Contract and annually throughout the term of the assisted tenancy.
- HOC currently contracts with an independent company to perform the HQS inspections for all HCV families.
- The current contract expires on September 30, 2023.
- Program Regulations at 24 CFR Part 982 set forth basic HQS requirements.
- HQS define standard housing and establish the minimum criteria for the health and safety of program participants.
- Current HQS regulations consist of 13 key aspects of housing quality, performance requirements, and acceptability criteria to meet each performance requirement.
- HQS includes requirements for all housing types, including single and multi-family dwelling units, as well as specific requirements for special housing types such as manufactured homes, congregate housing, single room occupancy, shared housing and group residences.
- Approximately 18,000 inspections are conducted annually.
- Staff conducted a Request for Proposal (“RFP”) process, and HOC solicited qualified firms to perform various residential inspections consisting of HQS, NSPIRE, Lead Based Paint and Radon inspections.
- Lead Based Paint and Radon inspections may be conducted in HOC owned properties.
- HQS will be replaced by the National Standards for the Physical Inspection of Real Estate (“NSPIRE”) effective October 1, 2023. PHA’s have 1 year to implement the new inspection standards.
- The NSPIRE model prioritizes health, safety, and functional defects over safety. It implements inspections that better reflect the true physical conditions of the property.
- Staff recommend that the Commission authorize the Executive Director to negotiate and execute a contract with Gilson Housing Partners to conduct HQS inspections for the HCV Program and residential inspections for HOC owned properties. Staff further requests approval for an initial contract term of two years with two one-year contract terms and a contract amount of \$865,500 annually.

# INDEPENDENT CONTRACTOR RFP

HOC’s Procurement Office issued a Request for Proposal (RFP #2380) for qualified firms to conduct residential HQS inspections in accordance with HOC’s Procurement Policy. RFP #2380 was released May 19, 2023 with a due date of June 22, 2023. The RFP was posted to HOC’s website and distributed to more than 244 Vendors registered in the Montgomery County Vendor Registration System (“CVRS”), and the bidders list used for the previous RFP. The applicable vendors receive a notification via the system that there is a solicitation for their review and potential response. A pre-proposal meeting and conference was held virtually on May 31, 2023. Six (6) firms attended the pre-bid conference. However, the pre-bid conference does not reveal whether a firm intends to submit a response to the RFP.

The scope of work outlined in RFP #2380 included all duties and functions associated with the HQS inspection. This includes administrative functions inclusive of scheduling, reporting and notification of inspection results. Additionally, conducting HQS initial, annual, special, quality control and re-inspections were included in the scope. The scoring team received written instructions prior to evaluating each bid and consists of staff from the Resident Services Division, who administer programs with HQS requirements. The scoring team viewed presentations from top scoring companies who scored 75 points or higher to clarify information and solidify their recommendation. The Proposals were scored on the following five (5) evaluation criteria. The maximum points a proposal could receive is 100.

## Selection Criteria

Experience of Company/Organization	Methodology	Staffing and Management Plan	Section 3/Minority/Female/Small Business Plan	Price
Maximum Points 25	Maximum Points 30	Maximum Points 15	Maximum Points 10	Maximum Points 20
Must demonstrate prior experience conducting housing inspections, Lead Based Paint and Radon Inspections for Housing Authorities similar in scope and size, with an aggregate contract value of at least \$200,000 during the last five years.	Must demonstrate capability to schedule, perform, and report all inspection types by required deadlines as stipulated by HOC and HUD requirements, using an electronic device. Must provide photographs when inspections do not meet criteria. Must conduct outreach by phone to remind clients of inspection appointments and wait 15 minutes prior to leaving the premise. Must be responsive to all client inquiries, in a timely manner. Must demonstrate capability to perform increased volume of inspections with new voucher allocations.	Must have ample staff to meet program needs by required time parameters. Must demonstrate that key staff have the required credentials to conduct HQS/NSPIRE inspections. Key staff must be HQS/NSPIRE certified. Must demonstrate company or organization plan for managing efficient communication regarding data requests and other inquiries within HOC.	Additional points will be given to companies/organizations that meet Section 3 requirements or are a small business or minority firm.	The price will be evaluated on the overall best pricing. Lower prices/rates will receive higher evaluation. Unbalanced rates or unreasonable high rates that cannot be substantiated by the offer will receive a lower score or may be deemed non-responsive.

# Independent Contractor and Selection - Bidders

In response to RFP# 2380, HOC received six (6) responsive proposals by the proposal deadline on June 22, 2023 at 2:00 pm and are listed below:

## **Atmos Solutions Inc. (“Atmos”)**

Atmos is a small, minority-owned business headquartered in Washington, DC. The firm has extensive experience in conducting housing inspections as well as environmental reporting for both publicly and privately owned properties in MD, DC, and VA since 2019.

Atmos’ total value of work billed by in the last five (5) years: \$7,237,000



## **Bureau Veritas Technical Assessments, LLC (“BVTA”)**

BVTA is a professional services consulting firm, providing comprehensive architectural, engineering, energy and environmental solutions. They are headquartered in Ellicott City, MD. BVTA has experience providing environmental assessments, physical needs assessments, energy audits, RAD physical assessments and ADA compliance services.

BVTA’s total value of work billed by the organization in each of the last five (5) years:

Not provided.



# Independent Contractor and Selection - Bidders

## Gilson Inspection Services (“Gilson”)

Founded in 2008, Gilson inspection services is a division of Gilson Software Solutions, specializing in comprehensive services to PHAs, including inspection services. They are based in Fort Lauderdale, FL and their mission is to “transform the lives of the residents we serve” by using cutting edge technology customized to the needs of their clients. They revolutionize the inspection process while prioritizing health & safety, accuracy and compliance.

Gilson’s total value of work billed by the organization for contracts with Housing Authorities in the last five (5) years: \$4,788,390



## Inspection Experts Inc. (“IEI”)

IEI is a woman and minority owned business based in Columbia, MD. IEI is the current HQS Contractor for HOC. They have 18 years of experience performing residential housing inspections for functionality, condition, safety, and environmental condition. They offer a suite of comprehensive services including HQS inspections, environmental testing, facilities management and construction and renovation services.

IEI’s total value of work billed by the organization in the last five (5) years: \$2,769,300



# Independent Contractor and Selection - Bidders

## McCright & Associates LLC (“McCright”)

Established in 1988, McCright & Associates is a nationally recognized company based in Chattanooga, TN. They provide an array of PHA services including consulting, remote recertification services, rent determination and negotiation, rent reasonableness studies, SEMAP reviews and inspection services. McCright has performed over 3,000,000 HQS inspections and currently conducts over 200,000 HQS inspections annually.

McCright’s total value of work billed by the organization in each of the last five (5) years:  
Not Provided



## Properties International (“PI”)

PI is a local minority owned business in Silver Spring, MD. The principal has worked in Real Estate since 1989 and as a subcontractor for maintenance & management of small commercial, multi-family and residential properties since 1995. Additionally, he has conducted Lead Based Paint, mold and asbestos inspections.

PI’s total value of work billed by the organization in each of the last five (5) years:  
\$360,000

**Properties  
International**

# Summary and Recommendations

Firm Name	Score
Gilson Partners	94
Atmos	84
McCright	84
IEI	82
Bureau Veritas	38
Properties International	23

Gilson received the highest score of the six respondents. The Independent Contractor Scoring Team evaluated each criteria. A summary of the recommendation is below. Gilson exceeded in many of the scoring criteria identified within the solicitation.

## **Contractor's Experience**

- Gilson has worked with over 100 Public Housing Authorities (“PHAs”) and has conducted inspections for PHAs ranging in size from 600 to 15,000 units. They have conducted over 1,000 inspections per month, with 5-6 inspectors.

## **Methodology**

- Gilson provided a comprehensive methodology to perform the required services including hiring a Resident Liaison (Section 3 tenant), utilizing an iHQS Inspection app, which allows landlords and tenants to view the location of the inspector, in real time, scheduling inspections within a one (1) hour window of time, and sending automated inspection reminders via email and text messaging. Additionally, they have mobile printing, electronic signatures, and a bilingual call center (English/Spanish) that operates 24/7.

## **Staffing and Management Plan**

- Gilson will dedicate twelve staff to the engagement with the flexibility to add more staff as needed. In addition, the managers for this contract have worked in the industry for over 30 years and are HUD REAC Inspection Certified. The principal Manager/Trainer worked with the HUD team when developing the NSPIRE standards.

## **Section 3/Minority/Female/Small Business Plan**

- Gilson will search for a Section 3 tenant to fill the Resident Liaison position.

## **Pricing**

- Gilson provided the most competitive pricing and was the lowest bidder. The second lowest bid was from IEI (current contractor), which is 38.6% higher than Gilson Partners. Additionally, within 72 hours and again within 48 hours of the inspection, the HQS Inspection Scheduling System will automatically perform a live or interactive voice call reminder of the inspection. The reminder is sent again on the morning of the inspection in an effort to reduce the number of No-Show inspections. This protocol has resulted in a significant cost savings (12%) for some PHAs.

# Summary and Recommendations

## ISSUES FOR CONSIDERATION

Does the Budget, Finance and Audit Committee wish join staff's recommendation that the Commission:

1. Approve the selection of Gilson Housing Partners as the independent contractor to conduct Housing Quality Standards inspections, Radon, and Lead Based Paint Inspections, as well as residential housing inspection for the Housing Opportunities Commission of Montgomery County; and
2. Authorize the Executive Director to negotiate and execute a contract for \$865,500 with Gilson for an initial term of two years, renewable for up to two additional one year periods?

## BUDGET/FISCAL IMPACT

There is no impact on the Commission's FY2024 Operating Budget. The adopted budget includes adequate funding for the HCV program inspections as well as for HOC residential property inspections. No additional funding is required from the Commission at this time.

## TIME FRAME

For discussion at the Budget Finance and Audit Committee meeting on September on September 6, 2023 and formal action by the Commission at its open meeting September 13, 2023.

## STAFF RECOMMENDATION AND COMMISSION ACTION NEEDED

Staff recommending that the Budget, Finance and Audit Committee joins staff's recommendation that the Commission:

1. Approve the selection of Gilson Housing Partners as the independent contractor to conduct Housing Quality Standards inspections, Radon, and Lead Based Paint inspections, as well as residential housing inspections for the Housing Opportunities Commission of Montgomery County; and
2. Authorize the Executive Director to negotiate and execute a contract for \$865,500 with Gilson for an initial term of two years, renewable for up to two additional one year periods.

*Adjourn*