

# PHA

## **Request for Qualifications for Developer for**

# **2012 Chestnut Street**

Release Date: November 19, 2013  
Proposals Due by: February 7, 2014

## **1.1 BACKGROUND**

### **1.2 Overview**

The Philadelphia Housing Authority (PHA) is seeking proposals from qualified development firms (the “Developer” or “Respondent”) to provide comprehensive development services pursuant to a design/build agreement for the demolition or rehabilitation of the 4- story, 18,400 square foot office building at 2012 Chestnut Street Philadelphia, Pennsylvania 19103 and the design and the completion of a building for the highest and best use of the site on three (3) parcels known as 2012, 2014 and 2016 Chestnut Street. The possible best uses may involve the accommodation of mixed-use, office, commercial or residential use. The development firms must present a full-service development team to finance, plan, design, and construct, own and operate the building or buildings. The Developer must determine the best possible use of the site depending upon the existing or potential zoning, historical designations, character of the neighborhood, real estate market in Philadelphia, and city, state and federal laws and regulations. Potential developers should be aware that the property is located within the Center City West Commercial Historic District, which is listed on the National Register of Historic Places. The selected Developer must be willing to negotiate a long-term ground lease with PHA, which will own the property on which the improvements will be located.

The term “project” will refer to the full scope of work defined as three phases: **Phase One** of this project would be the design and complete demolition and site clearance (if applicable) of the (3) parcels; **Phase Two** is to design/build and finance the new best use building; **Phase Three** is to fit out the space to accommodate the best use of the building.

It is PHA’s desire to partner with a qualified development team that has demonstrated the ability to successfully design, develop and manage a project of this magnitude, demonstrating the financial wherewithal, and management expertise to undertake this development. PHA shall have the final say in determining the best use of the site and selecting the Developer with the best plan to develop such use.

### **1.3 Objective**

The objective of this Request for Proposals (“RFP”) is to select a Developer with demonstrated experience and success in (1) demolition/rehabilitation, designing and constructing mixed-use residential, office, or other commercial or real estate structures, (2) securing project financing (3) ability to begin work towards with an aggressive schedule for occupancy.

A Selection Committee will evaluate Respondents’ submissions and will make the final selection based on the overall qualifications of the Developer. PHA reserves the right to select the Developer it feels can successfully accomplish all aspects of the proposed project. Thus the selected Developer must also have ability and willingness to negotiate a long-term ground lease with PHA, which will own the property on which the improvements will be located. The final decision and contract authority is subject to approval of the PHA Board of Commissioners and U.S. Department of Housing and Urban Development (“HUD”).

## **2.1 DEVELOPMENT SERVICES**

### **2.2 Scope of Work Overview**

PHA has not developed detailed program requirements for the project. The program overview set forth in the following sections provides an outline description of the potential elements of the program, which must be balanced against the need for the project to be financially viable. If a proposal is selected, PHA will enter into an agreement with the selected Respondent per the requirements of the scope of work set forth below and establish an acceptable time frame for completion of the work.

### **2.3 Pre-Development**

As part of the Pre-Development work, the Developer shall:

1. Determine the best use and develop and prepare the project program further with PHA. The program will include budget and time requirements, space requirements and relationships, and outline construction specifications.
2. Evaluate the site with regard to access, traffic, drainage, parking, building placement, utilities, and other considerations affecting the building, the environment and energy use, as well as information regarding all applicable governmental laws, regulations, and requirements. The Developer shall provide a current survey and geotechnical reports as necessary to support the preliminary design concepts, budget, and construction schedule to include demolition and removal of existing structure(s) as needed.
3. Provide a preliminary schedule for PHA's approval. The schedule shall show activities of the Developer and PHA necessary to meet the completion requirements.
4. Prepare an estimate for PHA review of the total development cost of the project including construction costs, furniture, fixtures, and equipment, soft costs, contingency, and financing costs which will be borne by the Developer.
5. Prepare and submit for PHA review schematic design documents based upon the preliminary evaluation discussed above.
6. The Developer shall also submit a statement of the proposed contract price, a final schedule for the construction of the project, a financial pro forma for the project, and any other information necessary to complete the agreement. Preliminary design documents shall be as detailed as possible to include conceptual drawings, outline specifications, and other documents to fully describe the size, quality, and character of the facility, architectural, structural, mechanical, and electrical systems, and the materials proposed for the project.

### **2.4 Design/Build**

As part of the Design/Build work, the Developer shall:

1. Undertake all activities necessary to design and construct the project in accordance with Section 2.2, as modified by agreement of both parties.
2. Demolish and remove existing commercial office building facilities to accommodate a new structure as needed.
3. Based on the preliminary plan, develop 50% and 90% construction

- documents and specifications for review and approval by the PHA.
4. Be responsible for obtaining all necessary regulatory and jurisdictional approvals and entitlements.
  5. Construct the project in accordance with the pre-approved construction documents.
  6. Commit to maximizing the participation of local suppliers, subcontractors and labor in each project.
  7. Management of Design/Build services until facility completion.

### **3.1 SELECTION PROCESS**

#### **3.2 Overview**

Selection of the successful Respondent will be based on the professional and financial qualifications of the Developer, its personnel and their experience with a range of project types including office facilities. PHA has chosen a “best value” selection process that will consider both qualitative and quantitative criteria. This “best value” selection process combined with “design-build by developer” delivery strategy was chosen for the following reasons:

1. PHA has not developed detailed program requirements for the project.
2. The process must be able to accommodate the recommendations of the final selection by the Selection Committee.
3. PHA reserves the right to not move beyond Phase 1 development if the chosen Developer does not fulfill its obligations under the original contract.

To be successful, the Developer must be experienced in this type of project delivery method. In particular, PHA seeks teams that have:

4. Management capabilities and current experience standard to the design-build industry;
5. Knowledge of the full range of real estate development activities including financing, land acquisition, entitlements, and transaction structuring;
6. Solid relationships with the architect and contractor on a team as demonstrated by successful experiences on prior projects.

#### **3.3 Selection Committee**

1. A Selection Committee (“SC”) will evaluate all responsive proposals received by the closing deadline. Specifically, the SC will (1) evaluate the experience of the Respondents, (2) determine that the teams have met all minimum qualifications, and (3) assess the financial and organizational skill of each Respondent. Those proposals deemed acceptable by the SC will be fully evaluated by the SC. The SC will consider: Qualifications of the Developer’s team, including its record for arranging financing for other projects and the experience of specific team members.
2. Financing experience, financial strength, and funding concepts.
3. Level of experience and success in prior projects similar to the project proposed within this RFP.
4. Qualifications of all professional personnel involved with project.

5. Minimum requirements and the selection criteria are more fully described in Sections 3.5 Minimum Qualification and 3.6 Evaluation of Proposals.

**3.4 Schedule**

PHA desires to adhere to the following schedule in the selection process through project completion. PHA, at its sole discretion, may extend all deadlines and timelines:

|                                                     |                                           |
|-----------------------------------------------------|-------------------------------------------|
| RFP distribution:                                   | November 19, 2013                         |
| On site meeting:                                    | December 6, 2013 at 9AM EST               |
| Deadline for submission of questions:               | January 6, 2014 by 2PM EST                |
| <b><u>Deadline for submission of proposals:</u></b> | <b><u>February 7, 2014 by 2PM EST</u></b> |
| Oral presentations for those shortlisted by PHA:    | February, 2014.                           |
| Notification of successful Respondent:              | March, 2014                               |
| Contract negotiations and award:                    | May, 2014                                 |
| Design-Build:                                       | as negotiated                             |
| Project Commissioning:                              | as negotiated                             |

This schedule is subject to modification at the sole and absolute discretion of PHA.

**3.5 Process Requirements**

An on-site meeting will be held on November 22, 2013. While not mandatory, it is strongly suggested that interested parties / potential Respondents attend this meeting. The purpose is to orient potential Respondents to the site and community, tour existing facility and the site. The conference will begin at 12 S. 23<sup>rd</sup> Street at PHA’s central office and site tours will begin after a brief meeting.

**3.6 Inquires**

Inquiries concerning this RFP must be received in writing with the original signed in ink by a representative of the Respondent, prior to the date specified in Section 3.4. An inquiry received by email or complete, legible facsimile of the original by the deadline will be deemed timely if a complying original is promptly received.

Except as specifically permitted in this section, from the date of this RFP until a final agreement is executed and the selection is announced, Respondents are not permitted to communicate for any reason with any PHA or PHA representative or consultant except through:

Contracting Officer  
 3100 Penrose Ferry Road  
 Philadelphia, PA 19145

In the event of a violation of this provision, the PHA reserves the right to reject the proposal of the offending Respondent. Only questions that are in writing will be accepted. In addition, only responses issued in writing via an addendum will be binding on the PHA.

### **3.7 Written Addenda**

Response to inquiries will be made in writing and provided to all Respondents via email. PHA may decline to answer any Respondent's inquiries. PHA may modify this RFP, prior to the date fixed for submission of the proposals, by issuance of an addendum or addenda to all parties who have received a copy of the RFP.

### **3.8 Format of Proposals**

Proposals must be submitted in the format outlined in Section 4 of this RFP, with each of the described divisions completed in full. Each proposal will be reviewed to determine if it is complete prior to actual evaluation and the AC reserves the right to eliminate from further consideration any proposal deemed to be substantially or materially non-responsive to the requests for information contained herein.

A proposal may be considered non-responsive if it includes extraneous information not specifically requested in this RFP. The clarity and conciseness of responses will be valued over sheer volume.

Each division and exhibit described below must be indexed, tabbed, and presented on a separately numbered page. If a Respondent fails to provide all categories of information required in this RFP, the Respondent may be disqualified from further award consideration. However, the PHA reserves the right in its sole discretion to waive minor irregularities.

### **3.9 Submission of Proposals**

One (1) original and six (6) copies of all proposals must be received no later than the due date and time set forth in Section 3.4 of this RFP unless amended pursuant to Section 3.5. The deadline for submission of RFPs may be extended if, in the sole judgment of PHA, such extension is warranted.

One (1) original and six (6) copies of the proposal will be sent to;

Contracting Officer  
3100 Penrose Ferry Road  
Philadelphia, PA 19145

The entire proposal must be in a sealed package. The name and address of the Respondent will appear on the outside of the package and the package will refer to "2012 Chestnut Street RFP". All addenda to the RFP must be signed and returned with the proposal. Each Respondent is solely responsible for the timely delivery of its proposal by the deadline for submission. PHA will not be responsible for lack of timely delivery of a proposal regardless of reason. Failure to meet the deadline for submission of a proposal will result in rejection of the proposal. PHA reserves its right to waive any non-material irregularity in the proposals.

### **3.10 Oral Presentations**

An oral presentation may be required of select Respondents submitting qualified proposals. The purpose of the oral presentations is as follows:

1. To allow the PHA to meet the Respondent's key personnel and seek

clarifications.

2. To allow the Respondent to discuss selected aspects of its proposal.

At the time the oral presentations are scheduled, the Executive Vice President of Supply Chain Management and Procurement will confirm by telephone and in writing with each Respondent the specifics of these sessions.

### **3.11 Final Ranking and Selection**

PHA may negotiate with all Respondent finalists before selecting an apparent successful Respondent. The selection of an apparent successful Respondent does not necessarily mean PHA accepts all aspects of the Respondent's proposal.

After the initial selection of an apparent successful Respondent, should PHA fail to reach an agreement as to all points of the agreement, PHA may reject the proposal, consider other proposals, or undertake such other actions as deemed to be in the best interest of PHA.

### **3.12 Minimum Qualifications**

The Developer's team shall meet the below minimum requirements. Failure to do so will result in the rejection of the submission and the removal of the Respondent from further consideration.

1. Developer: The Developer shall have successfully financed and completed a range of projects for mixed-use, residential buildings and commercial real estate.
2. Architect: The registered architect shall be licensed to do business in the State of Pennsylvania and have designed a range of projects.
3. Contractor: The contractor or construction manager shall be licensed to do business in Pennsylvania and have constructed a range of multi-million dollar projects, including offices, mixed-use, office, retail and residential buildings.

### **3.13 Evaluation of Proposals**

The SC will perform a qualification screening of the proposals submitted by the deadline set forth in Section 3.4 to determine compliance with the administrative requirements set forth in Section 5 and the minimum qualifications set forth in Section 3.\_\_\_\_. Proposals that do not meet these requirements may be removed from further consideration.

Following the initial screening, the SC will review the conforming proposals to determine which are recommended for final consideration by the SC and those that should be removed from further consideration. Proposals deemed acceptable by the Contracting Officer will be considered for a complete review. Upon completion of its review, the SC will determine which Respondents to invite to make oral presentation of their proposals.

### **3.14 Approach to Projects**

The Respondent's approach will be evaluated based on the following criteria:

1. Design and Construction:
  - a. Previous development and delivery of mixed-use, office, residential or commercial units or other facilities.

- b. Proven ability to arrange financing; experience in successfully financing previous projects.
- c. Proven ability to manage architects/professional-services firms in designing office facilities, or other best use.
- d. Ability to organize functional teams and use a coordinated approach to the scope of work for facility design and construction working with housing authorities, public-private -institutions, local and/or state government in the development, review and approval of the concept design and associated construction documents.
- e. Ability to adhere to project schedules for the design and construction phases.
- f. Commitment and ability to include local suppliers, subcontractors, and labor when appropriate and financially viable.

**2. Programming and Operations Management:**

- a. Proposed methods for maximizing and sustaining the value of the project to both PHA and the Respondent, by balancing the needs of PHA (e.g., affordability and, amenities) with the financial viability of the project (e.g., cost and quality of construction, ongoing programming expenses, variable utilities expenses, etc.) understanding office building concepts, automation systems and theories and ability to apply them from the project outset.
- b. Capability of operations management of office facilities (e.g. maintenance, security, emergency response, etc.) or other best use of the site.

**3. Financial incentives:**

Proposal should include a revenue sharing plan payable to PHA under the lease and/or operating agreement as well as outlining the most favorable legal structure of the arrangement.

**3.15 Developer Qualifications**

The qualifications of the Developer will be evaluated based on the following criteria:

- 1. Business expertise and management experience in developments involving office, residential and/or commercial projects.
- 2. Organization of the Developer's team and interrelationship between entities if more than one firm is involved; prior experience of firms as team members in a design-build approach to project delivery.
- 3. Financial soundness.
- 4. Experience of Developer in the delivery of turnkey projects.
- 5. Experience of Developer with a range of financing models.
- 6. Ability to arrange for financing, and flexibility of terms and process for financing.

**3.16 Design Team Qualifications**

The qualifications of the architect and other members of the design team will be evaluated based on the following criteria:

- 1. Availability of professional staff and their qualifications and experience.
- 2. Experience of the architect on mixed-use, office, commercial or residential projects, including both new construction and renovation.
- 3. Financial soundness.
- 4. Ability of the architect to provide required insurance coverage.

**3.17 Contractor/ Construction Manager Qualifications**

The qualifications of the contractor will be evaluated based on the following criteria:

1. Availability of professional staff and their qualifications and experience in delivering projects of the requested size on time and within budget.
2. Experience of the contractor in building commercial, residential and office high-rise projects, including both new construction and renovation.
3. Financial soundness.
4. Ability of contractor to provide required insurance coverage and bonding capacity.

#### **4.1 SUBMISSION REQUIREMENTS**

##### **4.2 Organization of Response**

The response shall be submitted in three-ring loose leaf notebooks and organized as follows:

1. Cover Letter
2. Table of Contents
3. Executive Summary
4. Proposal for Project
5. Developer, Design Team, Contractor Qualifications
6. Schedule
7. Supplemental Information, including any references

##### **4.3 Cover Letter**

A transmittal letter prepared on the Respondent's business stationery must accompany each response and identify the person (including contact information) authorized to represent the team in all communications and negotiations. An individual authorized to bind all members of the Respondent team providing services identified in the response must sign the letter.

##### **4.4 Table of Contents**

The proposal shall have a Table of Contents that conforms to the organization set forth in Section 4.

##### **4.5 Executive Summary**

An overview discussion of the Respondent's proposed approach to development is requested in order to ascertain the team's general expertise and capability to deliver the project. Submit a brief overview of the Respondent's approach to developing the project.

The summary should not exceed three (3) pages and should address the following topics:

1. A demonstration of an understanding of delivering commercial office high rise project(s).
2. An overview of the Respondent's organization and the entity or entities that will be responsible for the work.
3. A summary of the Respondent's basic experiences and attributes that set it apart from other candidates, including prior projects on which team members have worked together.

##### **4.6 Proposal for Project**

Describe the Respondent's approach to managing and performing the services necessary for

the planning, design, construction, and financing of the project. The description should include a discussion of the methodology to be used by the Respondent for seeking PHA input and periodic approvals of its work. The following issues are of particular interest to PHA:

1. Proposed length and terms of land-lease agreement with PHA, consistent with the financing and operations plan.
2. Site analysis and entitlements.
3. Program development.
4. PHA review and approval opportunities during design.
5. Financing capacity and estimated investment;
6. Budget and pro forma development and control.
7. Trade-off or approaches to value engineering.
8. Schedule control during design and construction.
9. Construction management.

#### **4.7 Developer, Design Team, Contractor Qualifications**

##### **1 Personnel**

Provide resumes and references for personnel who will be representing the Developer, the Design Team and the Contractor on the project and who have provided technical skills on projects similar to that required in this request. The qualifications of the personnel within each team should also address the capability and the experience necessary to secure construction financing and tax-exempt financing, if determined to be needed for the project.

##### **2 Projects**

Provide a list of projects of similar size and scope completed by the Developer. For each project, provide the following information:

- a. Project name and location; cooperating/partner housing authority name, if applicable.
- b. Description of project including size, cost, square footage, general layout of facility, extra amenities (common areas, etc.).
- c. Brief list of office facilities and programs currently in place, including any relevant statistics.
- d. Picture of project, if available.
- e. Total development initial budget and final cost.
- f. Scheduled opening date and actual opening date.
- g. References with telephone numbers.

##### **3 Financial Data**

Provide the following financial information for the Developer:

- a. Most recent financial statement available (identify whether audited or un-audited) including balance sheet and income statement, including notes.
- b. List of bank and accounting references.
- c. Statement from insurance/surety brokers indicating that the requisite

bonds and insurance can be secured for the project.

**4 Claims, Law Suits or Defaults**

Provide a list of any outstanding claims, lawsuits, or defaults on the part of the Respondent or any of its subsidiaries.

**5 Financing**

Provide information on experience in raising capital from a variety of sources.

**4.8 Schedule**

Provide a schedule for achievement of all major project milestones for a first project that meets the deadline, including the following:

1. Start and finish of pre-development planning.
2. Start and finish of architectural and engineering design.
3. Procurement of all entitlements, permits, licenses, and approvals.
4. Start and finish of site development.
5. Start and finish of building construction.
6. Commissioning of the building.

**4.9 Project Site**

Provide a description of the development and how it:

- a. Integrates into the community landscape and provides an inviting entrance to the facility.
- b. Fits into the existing site infrastructure.
- c. Provides a design that can be operationally sustainable.

**4.10 Supplemental Information, including any references**

Include additional information and references.

**5.1 TERMS AND CONDITIONS**

**5.2 General Provisions**

**1. Revisions to the RFP**

PHA may modify this RFP prior to the date fixed for submission thereof by the issuance of an addendum or addenda to all parties who have received a copy of the RFP. PHA may extend the deadline for Proposal submission if, in PHA's judgment, the revisions make this necessary.

Written inquiries concerning this RFP will be submitted to PHA by the date specified in

Section 3.4 herein. Responses to inquiries will be made in writing and provided to all parties. PHA may decline to answer any Respondent's inquiries, in its sole discretion.

**2.Cancellation of the RFP**

PHA may cancel this solicitation, in whole or in part, or reject all proposals submitted in response to this RFP when this action is determined to be in the best interest of PHA.

**3.Acceptance of Submittals**

PHA reserves the right to accept or reject any or all responses to this RFP, in whole or in part, received as a result of this RFP; to waive minor irregularities; or to negotiate with all Respondents, in any manner necessary, to serve the best interest of PHA. Further, PHA reserves the right to make a whole award, multiple awards, a partial award, or no award. Nothing in this RFP shall be interpreted or construed as creating any contractual relationship, agency, or partnership between the Respondent and PHA.

**4.Incurred Expenses**

Any costs incurred by the Respondent in preparing and submitting a response to this RFP will be the sole responsibility of the Respondent and will not be reimbursed by PHA.

**5.Economy of Preparations**

Responses should provide a straightforward, concise description of the Respondent's ability to fulfill the requirements of this solicitation.

**6.Discrepancies and Clarifications**

PHA reserves the right to request clarification of any aspect of received responses or to request additional information that might be required to evaluate the response(s). Responses that are incomplete or conditioned or are not in conformity with this RFP may be rejected.

**7.Respondent's Responsibilities**

The Respondent is responsible for thoroughly reading the RFP and the terms and conditions contained therein. No pleas of ignorance on the part of the Respondent will be accepted by PHA. Each Respondent is solely responsible for the accuracy and completeness of its response.

The Respondent will be required to bring to the attention of PHA expressly, in writing, any substitution, or change proposed to this RFP and the resulting contract documents. PHA will not be bound to a substitution or change unless the Respondent expressly brings it to PHA's attention, in writing, and PHA expressly approves the substitution or change, in writing. PHA reserves the right to reject any requested substitutions or change.

**8.Confidentiality of Proposals**

- a. Written requests for confidentiality shall be submitted with the response. The request must state specifically what elements of the response are to be considered confidential and/or proprietary. Confidential and proprietary information must be readily identified, marked and separated/packaged from the rest of the response. Co-mingling of confidential and proprietary information and other information is unacceptable. Neither a response, in its entirety, nor response price information will be considered confidential and proprietary.
- b. On and after the Effective Date of the final agreement pursuant to this RFP, all documents associated with this RFP, unless an exception in accordance with (c) below, are NOT treated as CONFIDENTIAL documents and will be released upon receipt of valid request under Public Rights to Information.
- c. Any material or information, in whole or in part that is submitted whether before or after the Effective Date and that the party believes is confidential or proprietary shall be clearly marked as such along with appropriate rationale for its being confidential or proprietary. PHA officials with the assistance of General Counsel shall review the material / information and make a final determination as to the confidential or proprietary nature of the submitted material in accordance with the applicable laws and regulations.

#### **9.Ethics in Contracting/Collusion**

Respondent will certify in its response that its response is made without collusion or fraud and that the Respondent has not offered or received any kickbacks or inducements from any other Respondent, supplier, manufacturer, or subcontractor in connection with their response, and that Respondent has not conferred on any trustee, officer, or employee of PHA, past or present, any payment, loan, subscription, advance deposit, travel services or items even of nominal value, present or promised.

#### **10.Release of Information and Advertising**

The successful Respondent will not, without the prior written consent of PHA: (a) make any news release, public announcement, denial or confirmation of all or any part of the subject matter of this RFP or any resulting agreement, or any phase of any program hereunder; or (b) in any manner advertise or publish the fact that PHA has entered into a contract, or is a customer of the successful Respondent.

#### **11.Nondiscrimination**

PHA supports the principles of equal opportunity and will not discriminate because of gender, race, color, national origin, religion, sexual orientation, age or disability in the selection of firms.

#### **5.3 Insurance Requirements**

The Respondent will, at its own expense, procure and maintain during the entire performance period of any contract or agreement resultant from the RFP process as outlined in this Section 3, including any extensions thereof, insurance of at least the kind set forth below in the minimum amounts specified below:

1. Comprehensive General Liability insurance including completed operations and contractual liability in an amount of not less than \$10 million per occurrence and name PHA as an additional insured.
2. Professional Liability insurance (Error and Omissions) covering the design services under the agreement in an amount not less than \$1 million per occurrence and \$2 million in the aggregate.
3. Builders' Risk insurance including all standard coverage specifically providing coverage for exposed buildings and structures.
4. Comprehensive Automobile insurance in an amount of not less than \$1 million per occurrence, which will cover all autos, owned and non-owned, hired and leased.
5. Workers' Compensation and Employers Liability—statutory requirements for all occupational injuries, illness, and disease.

All insurance coverage will be written by companies licensed or authorized to do business in the Commonwealth of Pennsylvania and having an A.M. Best rating of A or better. All policies, except Workers' Compensation, will provide a 30-day notice for cancellation, and shall name the PHA as additional insured. Certificates of Insurance evidencing coverage will be provided to the PHA Office of Procurement and a copy to the Director of Construction prior to the awarding of any contract.

#### **5.4 Terms of Agreement**

The terms of the Agreement will be negotiated with the successful Respondent; however, PHA will require the inclusion of the following items in the final version:

1. Agreement by any financier, bank, or other potential lien-holder that PHA shall have first right of refusal to purchase any or all facilities executed under the terms of the agreement, should the chosen Respondent cease operations, become insolvent, or otherwise abandon the Agreement.
2. Agreement by any financier, bank, or other potential lien-holder that PHA shall have the right to determine and/or approve alternative uses of the facility, approve a different vendor to provide residence life program services, etc. should the chosen Respondent cease operations, become insolvent, or otherwise abandon the Agreement.
3. Length and conditions of land-lease agreement with ultimate ownership of the building(s) vesting in the property owners.
4. Possible options to purchase building(s) during the term of the agreement at a designated point or throughout the term of the agreement.
5. Financial terms, including the possibilities of payments in lieu of taxes; fixed-rate lease or a percentage-of-profit annual payment to support PHA programs, additional operating hours, etc.; other terms as negotiated.
6. PHA will receive a minimum Developers Fee of 5% per annum.

#### **5.5 Negotiations**

After PHA selection and approval of a Developer, PHA and the Developer must enter into an agreement satisfactory to the PHA Board of Commissioners, HUD and PHA within one hundred eighty (180) days. If PHA and the selected Developer fail to reach agreement within the one hundred eighty (180) day negotiation period, PHA shall have the

exclusive right to extend the time frame, cancel further negotiations, or begin negotiations with other developers.

### **5.6 General**

1. Performance Benchmarks: All contracts and agreements will contain time and performance benchmarks, including construction deadlines, as appropriate, with clear termination provisions.

2. Indemnification: The successful Respondent and its agents, partners, employees and consultants shall defend, indemnify and hold harmless PHA, the PHA Board, HUD and their officers, employees and agents from and against all liability, loss, damage, liens, causes of action, suits, judgments, cost, and expense, including all attorneys' fees, and all claims, suits, and demands therefore, arising out of or resulting from the performance of services or any part thereof, the acts or omissions of the Respondent, or sub-contractors under any agreement with PHA.

3. Insurance: The Respondent will provide proof of insurance at levels acceptable to PHA prior to the signing of a Development Agreement. Other insurance may be required from time to time in such amounts as may be determined by PHA for coverage against other insurable risks relating to performance.

### **5.7 Design and Construction**

1. Assurances: All contracts and agreements will include provisions for liquidated damages, performance bonds, or other remedies to assure timely completion of the Project. Prior to commencement of construction, the Respondent must demonstrate that it has the resources in hand or available to complete the project. Performance bonds will be required.

2. Off-Site and On-Site Costs: All off-site and on-site preparation costs will be at the sole cost and expense of the Respondent. All residential and ancillary buildings, circulation, and landscaping for this project are to be located within the project site.

ATTACHMENT \_\_\_\_

## EVALUATION CRITERIA

| Number | Evaluation Criteria                                                                                                                                                                  | Points |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| 1      | Most favorable economic return for use of PHA property                                                                                                                               | 60     |
| 2      | Evidence of vendor's ability to perform the work indicated by the prior work history and profiles of the principals and staff's professional and technical competence and experience | 25     |
| 3      | Demonstrated plan to meet best effort goals for certified MBE participation                                                                                                          | 5      |
| 4      | Demonstrated plan to meet best effort goals for certified WBE participation                                                                                                          | 5      |
| 5      | Demonstrated plan to meet best effort goals for Section 3 participation                                                                                                              | 5      |
|        | Total                                                                                                                                                                                | 100    |