



Commonwealth of Massachusetts
**DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT**

Charles D. Baker, Governor ♦ Karyn E. Polito, Lieutenant Governor ♦ Chrystal Komegay, Undersecretary

Public Housing Notice 2015-16

To: Local Housing Authority (LHA) Executive Directors

From: Steven Carvalho, Associate Director, Division of Public Housing & Rental Assistance

Date: June 22, 2015

Re: Answers to Questions about the Regional Capital Assistance Team (RCAT) Procurement

Through this notice, DHCD is issuing written answers to all questions that have been submitted to date regarding the RCAT Request for Responses (RFR) which was posted on June 2, 2015 ([see PHN 2015-15](#)). Prospective bidders should review this document and the original RFR when considering their response. In addition, please make note of the upcoming deadlines:

- Mandatory Letters of Interest are due by 4pm on Tuesday, June 30, 2015. If an LHA is considering submitting a response, the designated point of contact should email a brief one page letter to amy.stitely@state.ma.us as instructed on page 14 of the RFR.
- All responses are due by 4pm on Friday, July 31, 2015.

If there are additional questions about the RFR, please submit them via email to amy.stitely@state.ma.us. We are sorry, but DHCD staff cannot respond to phone inquiries.

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1. Evaluation of Responses, page 21—your chart shows 20 points for Relevant Experience and 20 for Management/Administrative but item 2 says 15 and item 3 says 25. Please clarify.

Answer: The chart is correct. The parenthetical numbers are incorrect and should be disregarded.

2. Is DHCD determining the Host Housing Authority (HHA) by the size of the State units that the Housing Authority administers already?

Answer: No. Size of Housing Authority is not a consideration in evaluating responses. DHCD is selecting the HHAs based on the criteria that are described in detail on page 21 of the RFR.

3. Does this mean that the large Housing Authorities are most likely to be determined as the HHA?

Answer: Not necessarily. Any Housing Authority that can demonstrate it has relevant experience, ample administrative capacity, and a good proposal would be a viable candidate for the HHA role. However, as page 3 states, in order to be eligible for consideration, Respondents must employ “at least one full-time Executive Director and one full time maintenance person, and one full-time employee (other than the Executive Director) must be dedicated to modernization.” In other words, responding LHAs must have a minimum of two FTEs to cover the executive functions, maintenance, and modernization. This means that many small Housing Authorities are not eligible.

4. Is it in the best interest that all Housing Authority’s apply for the HHA?

Answer: Responding to this RFR takes a fair amount of staff resources, and the scope of services is robust. Local Housing Authorities (LHAs) should only apply if they have the capacity and desire to perform the duties described in the RFR.

5. Once the HHA is determined and the RCAT is established is this set up to help LHAs or to combine and/or eliminate existing LHAs?

Answer: The intent of the program is to assist existing LHAs with their capital and maintenance needs. It is not a regionalization or combination program that aims to eliminate LHAs.

6. Is the HHA going to merge the existing LHAs into larger LHAs and condense existing LHAs?

Answer: No. See answer to question 5 above.

7. Once a Board is established for the HHA-does this change/dissolve the existing Boards for the individual LHAs?

Answer: No. Each RCAT Advisory Board is separate and distinct from the existing Boards of Commissioners at the HHA and at participating LHAs, and only has the ability to provide advice to the HHA and RCAT.

8. Is the capital assistance team a separate entity from each HA?

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Answer: The capital assistance team will be employees of the HHA. Team activities will be supervised by the Executive Director and overseen by the HHA board and DHCD.

9. If only 3 teams are selected how can they be limited to only 2500 units?

Answer: The Legislation (see Attachment A of the RFR) states that “no staff member shall individually oversee more than 2,500 units on a permanent basis.” That means each RCAT must employ at least one person for every 2,500 units in the region.

10. Is it 3 teams per region or for all regions?

Answer: There will be one team per region; with 3 regions, that means 3 teams statewide.

11. In what way, or how is the RCAT being formed to help LHAs?

Answer: Financially, the bulk procurement and force account programs should reduce participant cost of capital projects, services, and maintenance projects. The assistance in preparing and executing capital plans will particularly help LHAs with little expertise in these matters, helping them select the most critical projects, carefully define the project scopes to stretch their capital dollars, and help oversee project execution to ensure the work is done correctly. This will help ensure capital funds are spent as efficiently as possible and will allow LHAs to focus more of their limited time on other matters.

12. In the end, will they be restructuring the LHAs?

Answer: No. This is an assistance program, not a restructuring program.

13. Is the capital assistance team going to appoint new directors or are they going to replace directors of LHAs as well as perform on the RCAT?

Answer: No, the RCAT is not replacing any executive directors and has no authority to do so. The team will be supervised by the HHA Executive Director.

14. Does this affect the CPS Formula funding that LHAs apply for?

Answer: No. The Formula Funding awards will not be affected by the RCAT program.

15. The \$2.5M a year - is that on top of the 5-year spending that the CPS is allocated or deducted from it?

Answer: The \$2.5 M per year in RCAT program administration funding is separate and above Formula Funding.

16. Will DHCD be providing a list of those LHAs that attended the Bidders conference?

Answer: DHCD does not plan on circulating this information via any Public Housing Notice, email, or website. However, if a person enquires, DHCD will respond.

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17. The RFR states that LHAs with 500 or fewer state-aided units must participate in the RCAT program unless granted a waiver, but on page 4 of the RFR, it states that “Estimate counts are based upon the assumption that LHAs with more than 500 combined state and units are more likely to seek a waiver and therefore not participate.” If an LHA has less than 500 state units, but more than 500 units including their federal ones, does it have to participate in the program?

Answer: Any LHA with less than 500 state units can apply for a waiver, no matter how many federal units it manages.

18. What are the pros and cons of getting a waiver?

Answer: Possible Pro – Those LHAs that have proven they have the capacity to perform all their capital and maintenance related duties without extra assistance will be able to continue to operate as they do now.

Cons – LHAs that get a waiver will not have access to the extra technical help/assistance with capital planning and capital projects that the RCAT will provide. In addition, LHAs with waivers may not be invited to participate in the bulk procurement/purchasing program or the regional force account strategies that will make capital and maintenance work more cost effective.

19. On page 3, it states that in order to be eligible to apply, the LHA must have at least one full-time employee (other than the Executive Director) who is dedicated to modernization. Can you explain the thinking there?

Answer: In order to be eligible, an LHA must have at least two full-time employees to cover the executive duties, maintenance, and modernization. In terms of why it says that modernization duties must be held by someone other than the Executive Director, DHCD felt that it would be very difficult for one person to oversee his/her own modernization program, perform his/her executive duties, and also oversee a new program that supports more than 8,000 other units.

20. Can the RCAT director and the HHA’s modernization person be one in the same person?

Answer: Yes, that is a possible scenario that would be cost effective and might work if the duties are not beyond the capacity of that one person. However, these positions may also be filled by two separate people. It is up to Respondents to propose how they will staff the new program, taking into consideration their existing operational needs and the significant increase in responsibilities.

21. Can LHAs opt out of the RCAT program?

Answer: Yes, an LHA may opt out of the program if DHCD grants a waiver. This fall, after the RCAT HHAs have been selected, DHCD will initiate the waiver request process. Please note that getting a waiver does not mean that an LHA will, therefore, get more support from DHCD. It means that the LHA has sufficiently demonstrated that it needs no extra support or technical assistance at all (from DHCD or the RCAT).

22. How much involvement will DHCD have in the hiring process for the RCAT Directors? Will DHCD be part of the interview process?

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Answer: The legislation requires the HHAs consult with DHCD on the hiring of RCAT Directors. On page 12 of the RFR, it states that a DHCD staff person or the DCHD-appointed RCAT advisory board representative shall be on the hiring committee for all RCAT Directors. In addition, the RFR lays out minimum qualifications that all RCAT directors and project managers must meet in order to be hired.

23. The RCAT contract is only for 3-5 year period. Where do you think the HHAs are going to find staff for the various positions give the short period of time? What will happened at the end of 5 years?

Answer: A 3- to 5-year commitment is typical for a DHCD-procured vendor contract. We also believe this extends beyond what is usually guaranteed in most normal employment contracts. When a contract with the HHA ends, then DHCD will re-procure for the affected region.

24. How will RCAT staff benefits/pensions be covered? Is it on the HHA or DHCD?

Answer: RCATs should include the costs of all benefits, including retirement, in their budget proposal (Exhibit 4). For the purposes of this RFR, LHAs should assume that RCAT staff will be salaried employees at the HHA with the source of funds paid out of State funds.

25. How will the RCAT program affect DHCD's existing construction unit?

Answer: DHCD's Construction Unit will continue to be involved with all projects with construction costs over \$25,000, as they are today. However, they will be less involved with the scoping of projects or setting priorities for capital improvement plans.

26. What will happen if no LHAs apply for the RCAT, or if no LHAs apply for a region?

Answer: DHCD would follow up with all who expressed interest in the Bidders Conference or via Letters of Interest and find out why they chose not to apply. After collecting such information, DHCD would re-write the scope and/or extend the existing RFR as appropriate.

27. Did DHCD consider increasing the number of regional RCATs?

Answer: Yes, but the legislation calls for just 3. Plus, there has been no additional funding granted for administering the program. At this time, a \$2.5 M annual budget is what DHCD can afford to take from the existing public housing bond cap and that amount of funding will only support a maximum of 3 RCATs.

28. Will the District Hours program still remain in effect and will Cybersense Training still be supporting us?

Answer: District Hours will remain in effect until it becomes clear that there is no longer a need. Respondents may or may not choose to incorporate Cybersense Training into their proposed strategy for administering the program.

29. Item 7 page 10—What funding sources can LHAs use to “buy” Force Account services with?

Answer: Similar to now, LHAs can use operating reserves or capital bond cap (Formal Funding) to support Force Account Work.

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30. Compensation, page 14—What costs are currently committed to the program by the Legislature/Administration & Finance (A&F)?

Answer: The 2013 Bond Bill committed \$500 M to State Public Housing Modernization and Preservation. The RCAT program does not have a separate bond cap commitment from A&F. Program funds are to be drawn out of the annual bond cap for Public Housing, which is announced annually.

31. What if the work becomes overwhelming for the RCAT PMs and the need presents itself for more staff?

Answer: DHCD expects that the RCAT to live within the confines of the proposed budget and ultimately the contract. If there is a need for an amendment to the contract, DHCD would consider it. However, any increase in RCAT budget would result in a decrease in the amount of bond cap going to actual projects, so it would have to be carefully considered.

32. Compensation, page 14—How will each RCAT budget be “released” or given to the RCAT?

Answer: An award will be made to the HHA and a CFA will executed. The HHA will then invoice DHCD in advance for payment.

33. Compensation, page 14—Can respondents submit a budget that is more than \$833,000?

Answer: Respondents may submit a budget higher than \$833,000 if that is what they deem appropriate and reasonable. However, as stated on page 22, DHCD will be evaluating the budget for its cost-effectiveness.

34. Compensation, page 14—Will the budget increase proportional with cost of living?

Answer: The RCAT is asked to provide a three-year budget. Respondents should incorporate all anticipated cost increases, including cost of living, into the out year figures.

35. How flexible are the program milestone timeframes/timeline?

Answer: Respondents were asked to comment on the ability to meet proposed milestones in Exhibit 3-A on page 19. Ultimately, DHCD and HHA must agree upon required performance milestones when entering into a contract.