

Background

In the Corrective Action Plan from HUD's Quality Assurance Division (QAD), HACM was required to solicit contractors through a Request for Proposal (RFP) to manage and operate Milwaukee's entire Housing Choice Voucher program.

In addition, another required part of the scope of work was a 100% participant file review of all voucher files. These were both required corrective actions in our Corrective Action Plan with HUD.

Preparation of the Request for Proposal

To learn more from the experience of other housing authorities, HACM's Secretary-Executive Director reached out to a number of Executive Directors of other medium to large public housing authorities that have previously gone through a similar process, including those from Atlanta, Newark, and Park City Communities (Bridgeport, CT), including reviewing the draft of the RFPs that were issued by the Atlanta Housing Authority and Park City Communities.

HACM began preparing the draft of the RFP for the specifics related to the Milwaukee program, with the first full rough draft completed in September 2023 and submitted to the Milwaukee HUD Field Office and QAD for review and feedback to ensure: (a) HACM was addressing all required items from the corrective action plan; and (b) that the list of services to ensure quality management of the program was comprehensive and if they had any other suggestions to improve the RFP.

The RFP scope of work described all tasks and functions that needed to be accomplished to fully operate the HCV program, and the required items to perform the 100% participant file review.

Feedback from both HUD and QAD were received in October, and a second revision was developed. This revised RFP draft was then submitted to HUD again for their review.

The final Request for Proposal was issued on 1/19/24 and proposals from interested Respondents were originally due on 3/1/24. Seventeen questions were received from various potential proposers and HACM drafted and posted responses to the questions. Due to the additional information in HACM's responses, the RFP deadline was extended to 3/8/2024.

Six proposals were received by the closing date of the RFP from the following entities:

1. AMA Consulting Group, LLC (AMA), Lake Mary, Florida
2. CVR Associates, Inc. (CVR), Tampa, Florida
3. Milwaukee County Dept. of Health & Human Services Housing Services, Milwaukee, WI
4. Nan McKay and Associates, Inc. (Nan McKay), El Cajon, CA
5. Pivotal Property Management MKE, LLC (Pivotal), Milwaukee, WI
6. Quadel Consulting and Training, LLC (Quadel), Indianapolis, IN

Evaluation Process per Request for Proposal

The proposal evaluation process is designed to award the contract, not necessarily to the Respondent(s) of least cost, but rather to the Respondent(s) whose proposal represents the best overall value as determined by an evaluation of the best technical score (a combination of qualifications and experience) and price/costs.

Evaluations are based upon the evaluation factors and weights specifically established within this RFP. Respondent(s) must provide all information outlined in the Evaluation Factors (as defined below) for the Respondent's proposal to be considered responsive. The quality of answers rather than length of responses to this RFP is important.

After evaluations, the Evaluation Committee will determine a competitive range. The competitive range includes the proposals that have a reasonable chance of being selected for award considering all aspects of the RFP. HACM will negotiate with the Respondent(s) who fall within the competitive range. If required, only those Respondents within the competitive range may be selected for an oral presentation and/or interview.

The presentation/interview process will be arranged to assist the evaluation committee in differentiating those Respondents within the competitive range. Points may be added or deducted from the Respondent's preliminary score as deemed necessary by the evaluation committee.

HACM reserves the right to negotiate the final scope of services, price, schedule and any and all aspects of this solicitation with all Respondents in the competitive range. Once negotiations are complete, HACM may establish a date and time for the submission of best and final offers. If a Respondent does not submit a notice of withdrawal of its offer, or a best and final offer, the Respondent's immediate previous offer shall be construed as its best and final offer. The best and final offers shall be evaluated in essentially the same manner as the initial offers unless otherwise specified.

HACM may award Contract pursuant to the outcome of the application of the Evaluation Criteria contained in this RFP. Award shall be to Responsible and Responsive Respondent whose proposal is in the best interest of HACM. Award shall be subject to the formal approval of HACM's Board of Commissioners. Award may also be subject to approval by HUD. No award may be made to a Respondent whose firm or principals appear on the list of businesses ineligible to receive awards from HACM, the City of Milwaukee or the U.S. Federal government.

Evaluation of Proposals—Initial Scoring of Six Proposals

HACM formed an evaluation committee that included some HACM staff that brought Section 8 program knowledge, HACM’s Assistant City Attorney, and some from outside agencies. HACM reached out to some outside organizations to add a few additional outside reviewers who serve in community development/nonprofit agencies or governmental agencies. This was to incorporate a different perspective from outsiders, in addition to that from HACM staff.

The evaluation committee that reviewed the six original proposals included the six following members:

- Fernando Aniban, Deputy Director, HACM
- Ken Barbeau, Chief Operating Officer-Program Services, HACM
- Jacqueline Martinez, Section 8 Program Director, HACM
- Dennis Hansen, Vice President for Housing/Refugee/Youth Residential Services, Lutheran Social Services
- Claire Zautke, Policy Director, City of Milwaukee Office of the Mayor
- Julie Wilson, Assistant City Attorney, City of Milwaukee Office of the City Attorney

A kickoff meeting for the committee was scheduled on April 23, 2024 to discuss the RFP, the evaluation criteria, and the outlined process.

The RFP outlined the evaluation factor, which were allocated the following maximum points:

Evaluation Factor	Items		Points
A	Team Expertise / Firm Experience [see Section V (3)]	Required	25 Points
B	HCV Management Plan [See Section V (4)]	Required	50 Points
C	Past Performance [See Section V (5)]	Required	25 Points
D	Cost [see Section V (6)]	Required	EVALUATED NOT SCORED
	Maximum Point Value		100 Points

Cost is often a scorable factor in an RFP. However, since HACM in the RFP had included the requirement that the costs to manage and operate the entire voucher program cannot exceed 80% of the amount of the annual Administrative fees received from HUD, it reduced the importance of the cost factor as a scorable factor in the review. Please see Appendix A titled

Recommendation to HACM Board of Commissioners
RFP for Management and Operation of the Housing Choice Voucher Program

“Basics of Voucher Program Funding” at the end of this document (p. 15) for a brief definition of “Administrative Fees” and “Housing Assistance Payments” in the voucher program.

The overall average scores based on the six-member Evaluation Committee’s review of the written proposals are as follows:

Criteria for Evaluation— ROUND ONE	Maximum Points Available	AMA	CVR	Milwaukee County	Nan McKay	Pivotal Property Management	Quadel
Team Expertise/ Firm Experience	25	15.92	22.54	17.96	21.96	6.92	19.83
HCV Management Plan	50	30.58	43.08	33.75	42.33	14.33	39.58
Past Performance	25	14.42	22.63	18.63	21.96	3.33	20.50
Cost	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	100.00	60.92	88.25	70.34	86.25	24.58	79.91

The purpose of the reviewers in the first scoring was to determine which proposals would advance to the interview stage. The reviewers discussed the proposals and decided that they would forward the four highest scoring proposals to the interview stage. CVR, Milwaukee County, Nan McKay and Quadel were advanced to the interview stage.

The two lowest scoring proposals that were not advanced to the next stage of interviews were:

1. Pivotal Property Management---a local Milwaukee property management company with seven employees. Their experience was primarily in property management, with their company having little to no similar experience in running voucher programs.
2. AMA Consulting Group—a housing consulting firm from Lake Mary, Florida. While they had some experience in portions of the scope of work, they have not managed an entire HCV program. Their listed prior experience included: preparing a review of the ACOP and Admin Plan for a PHA; acting as a subcontractor to Nan McKay for Chicago Housing Authority, providing some certification and recertification work, and acting as a subcontractor to Nan McKay for their oversight of the Emergency Rental Assistance program for the City of Miami and for the State of New Jersey during COVID. In addition, their proposal did not meet the requirement that the cost be 80% or less of the Administrative fees that HUD pays HACM. While the proposal scoring did not take into account cost, it was noted that the AMA proposal included significant increases to

the number of HCV staff, resulting in a cost proposed to HACM for voucher management that was more than the Administrative fee paid to HACM by HUD.

Evaluation of Proposers—Second Round of Top Four Candidates

Potential dates were sent and virtual interviews with the four remaining respondents were scheduled as follows: Quadel (6/20/2024); CVR (6/27/2024); Nan McKay (6/28/2024); Milwaukee County (6/28/2024). Due to conflicts with schedules, two reviewers from the first round participated in a number of interviews and discussions but could not attend the entire set of interviews, and therefore did not feel they could fairly submit final scoring of the four for the round.

Here are some details and evaluator comments from this second round:

CVR

- Previous similar experience listed in the proposal included the following:
 - Chicago Housing Authority (2008 to present): Due to the size of CHA, CHA contracts with multiple vendors to do different scopes of work. Currently CVR is responsible for the south office management. Manages more than 23,000 vouchers on behalf of CHA. During CVR's program management engagement, received 100% SEMAP score from the CHA for portions managed on their behalf. SEMAP high performer and have met or exceeded metrics in contract.
 - New York State homes and Community Renewal (2011 to present): Responsible for the entire inspection operation, as well as day-to-day operations of the Westchester County HCV program of 5250 vouchers and 10,000 inspections. Under a separate contract, responsible for another 3,900 vouchers and 8500 inspections in New York City. Prior to engagement, client was a standard performer but had a significant backlog of late recertifications and inspections. The client has now been a SEMAP high performer since 2012.
 - San Francisco Housing Authority (2023 to present): Contracted for the administration of the project-based portion of the voucher program for this PHA. Since engagement, the leasing in the PBV program has increased from 6626 in Dec 2023 to 7384 in May 2024 (total baseline is 8,674). While still early in the contract, CVR is meeting or exceeding contract metrics.
 - Buffalo Municipal Housing Authority (2014 to present): Responsible for managing voucher program of 1500 vouchers. SEMAP high performer since 2014 and met or exceeded contractual metrics.

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- CVR has good experience in improving performance of voucher programs to high performer status.
- CVR has contracts with HUD for providing technical assistance to PHAs and are even contracted to train HUD staff. HUD hired CVR during 2021 to 2023 to provide technical assistance to HACM's voucher program to provide recommendations to improve performance, so they have some basic knowledge of the HACM program.
- Evaluators liked the emphasis on customer service (portals, surveys, customer service monitoring) and liked the detail within the transition plan.
- Comprehensive hiring strategy during transition, working in conjunction with HACM Human Resources

Milwaukee County Department of Health & Human Services, Housing Services

- Previous similar experience listed in the proposal--While Milwaukee County has extensive experience in running their own voucher program, they do not have experience in taking over and running another voucher program. Their experience is in improving the performance of their own HCV program.
- The proposal was less detailed with less specifics than other proposals. Thus, there were a number of questions about the transition and management plan that still would need to be figured out.
- While they use YARDI, they have their own payment system for HAP payments which is not done through YARDI. HACM wishes to have one accounting system and not separate out the payments.
- Overall, the evaluation committee has a lot of respect for the County program and feel the Program Director and staff are experienced and do a good job in managing their high-quality program.
- The County especially has an excellent job in working with the Continuum of Care to ensure housing of homeless individuals to reduce chronic homelessness in Milwaukee, using HHS ability to assist with case management.
- However, the evaluation committee has concerns about the capacity of their staff and organization in increasing the size of the program they administer from about their current size of around 2,000 vouchers and adding the HACM portfolio of over 6,000 vouchers--- in essence increasing their size of vouchers they administer fourfold.

Nan McKay

- Previous similar experience listed in the proposal included the following:
 - Chicago Housing Authority (2010 to present): Manages more than 50,000 vouchers on behalf of CHA. Earned SEMAP high performer for twelve consecutive years.
 - Miami-Dade County- Public Housing & Community Development (2014 to present): Manages over 18,000 HCV vouchers and earned SEMAP high performer for seven years.
 - Georgetown Housing Authority (Georgetown, Kentucky, 2017 to 2023): Managed 400 vouchers and worked to implement new technology and earned high performer status.
 - Park City Communities (Bridgeport, CT, 2021 to present): Managed more than 2,500 vouchers. Inherited backlog of 1353 late recertifications and 1748 late inspections and cleared up the backlog. Standard performer.
- Several reviewers thought the proposal was well laid out and liked their section on quality control/SEMAP and standard management reports.
- Nan McKay has a good reputation and is especially well known for their training and training certification programs for public housing authorities.
- Nan McKay has for the year and a half been assisting with some initial eligibility and recertifications that have been assigned to them to assist HACM in catching up on late recertifications. This outsourcing was done in response to HUD's strong recommendations in corrective action plans to contract with third party vendors. While it started strong, there was a lot of staff turnover in the Kentucky office of Nan McKay that was performing the work and this resulted in complaints from HACM's voucher participants. There were also some quality control issues. HACM worked with Nan McKay management and there was a change in the supervisor of the project, and ultimately the issues were corrected. While it is difficult to compare that limited scope of work to the entire management of a voucher program, this was taken into consideration by the committee.

Quadel

- Previous similar experience listed in the proposal included the following:
 - Memphis Housing Authority (2000 to present): Manages more than 8800 vouchers on behalf of the PHA. SEMAP scores improved from 30% troubled to a 67% standard performer after the first full contract year. 90% or higher since 2012.

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- City of Phoenix Housing Department (2018 to present): Full program management of entire HCV department. \$56 million in HAP rental payments annually. Consistently a SEMAP high performer. NAHRO Award of Merit for Owner Outreach program.
 - Newark Housing Authority (2008 to 2015, and 2023 to present): Managed 5200-unit HCV program. Increased SEMAP from troubled (32%) to standard performer (62%) after first full contract year, and to a high performer in last two contract years. Client then decided to take program back in-house and then to another vendor. In 2023, CVR took over from the different vendor to help to improve performance. Since 2023, completed backlog of over 3000 late annual reexaminations and brought the files current, and are in process of returning the program to a high performer.
 - Northwest Oregon Housing Authority (2020 to present): Management of 1100 voucher program. Improved performance from troubled performer to standard within first 9 months. Worked with HUD to resolve Corrective Action Plan resulting from troubled status.
- Evaluation committee was impressed by Quadel's experience in turning around troubled housing authorities.
 - Evaluators thought the transition plan from Quadel was well thought-out and detailed.

The scores of the top four candidates were updated by the four remaining members based on the interviews and the revised average scores are as follows:

Criteria for Evaluation— ROUND TWO	Maximum Points Available	CVR	Milwaukee County	Nan McKay	Quadel
Team Expertise/ Firm Experience	25	22.38	16.63	20.63	22.81
HCV Management Plan	50	45.50	30.00	40.25	43.75
Past Performance	25	21.75	19.50	16.88	21.88
Cost	N/A	N/A	N/A	N/A	N/A
Total	100.00	89.63	66.13	77.76	88.44

Based on this scoring, the top two Proposers (CVR and Quadel) moved on to a third round, due to the fact that their scores were so close.

Evaluation of Proposers—Third Round—Top Two Candidates

The top two scoring Respondents (CVR and Quadel) were then invited to participate in a second interview. They were also asked to provide three years of financial statements for our review. HACM's Procurement department also performed reference checks. Finally, contract negotiations for a best and final proposal from both Quadel and CVR were initiated.

Second Interviews: An additional individual was added to the evaluation committee—Dena Hunt, HACM Chief Operating Officer -Real Estate Operations. She will be overseeing the ultimate contract and managing the contract for HACM. Due to other commitments, Dennis Hanson of LSS was unable to attend the second interviews. However, other scorers (Fernando Aniban, Jacqueline Martinez, Julie Wilson, Claire Zautke, Ken Barbeau, and Dena Hunt) were present and actively participated in asking questions. In addition, Secretary-Executive Director Hines and Human Resources Director Crystal Reed-Hardy also attended the second interview and participated in asking questions. However, they did not participate in the scoring of the proposals.

Financial Review: Fernando Aniban performed a review of three years of financial statements from the two organizations (CVR and Quadel) and his analysis was as follows:

- **Liquidity:** Both entities appeared to be liquid and had the ability to meet short-term obligations. This is critical in case there would be a delay in HACM payments of administrative fee (although this would be rare). Quadel's cash position appears stable. In the 3rd year, CVR's cash position appeared to decrease, though working capital remained stable.
- **Solvency:** Financial ratios are not alarming. Long-term debt is not significant to their total capital, although CVR appears to have more capacity to pay Long-term debt out of excess working capital.
- **Profitability:** CVR's gross profit ratio did appear to decrease over the three years, from 70% to 51% to 36%. Quadel's gross profit ratio appeared more stable, decreasing from 60% to 53% over the 3 years.

The overall conclusion from Fernando is that he did not see any major concerns or questions based on the three years of financials for either CVR or Quadel that would prohibit HACM from contracting with them.

Reference Checks: Kent Britton, Director of Procurement, reached out to the references that were in the CVR and Quadel proposals. We received three responses back for CVR and two for Quadel. All five reference checks were very positive.

- **CVR--- New York State Homes and Community Renewal;** Kent received an email from Daniel Buyer, Vice President/Assistant Commissioner for Rental Assistance Programs:

“In regard to your questions, we do not as a matter of policy recommend contractors. However, CVR currently has several engagements with us and is in good standing at this time with no major, unresolved issues. We’ve been working with them for well over a decade. They have clearly demonstrated expertise in all aspects of Section 8 voucher administration, including inspections, case management, mobility, quality control, etc. Hope this helps.”

- **CVR—Chicago Housing Authority;** Kent spoke with manager reporting to Cheryl Burn, Chief HCV Officer. They would recommend CVR. Because of CHA’s size, CVR is handling their Southside location. CVR is not their primary provider (that is Nan McKay), but they replaced another vendor – would not say who they were. He said CVR has been responsive and challenges that have been encountered have been based on CHA’s portfolio, not on CVR performance. He indicated they are good with their recertifications and other program functions.
- **CVR—Buffalo Municipal Housing Authority;** Kent emailed Modesto Candelario, Assistant Executive Director. He recommends them and stated CVR has demonstrated a great ability to successfully administer their Section 8 program. Their knowledge of regulations helps to make them a great administrator. The transition to CVR as program administrator has worked very well and resulted in them becoming high performer status. Staff turnover continues to be a concern---finding and keeping staff, but that is across the board and not just with this program. He felt CVR leadership has demonstrated to be very responsive and responsible. He believes our agency will be well served by them.
- **Quadel--Northwest Oregon Housing Authority:** Kent spoke with Nina Reed of Northwest Oregon; she is a board member. She enthusiastically recommended Quadel. They are now a high performer; prior to this, they were “a mess” to the degree that they let their CEO go. They had 21 employees. As it was such a mess (she said their SEMAP score was 7) that Quadel only retained one. They had 21 employees that Quadel interviewed, they only retained one. Quadel cleaned up their Admin Plan, policies, wait list, files and recertification and made improvements. The PHA does not use YARDI so can’t speak to that (they use a different software). The only downside is Quadel is expense. They pay them at 79% of Administrative fee, but she believes the value is worth it.
- **Quadel—Memphis Housing Authority:** Kent spoke with Dexter Washington, CEO. They have been using Quadel for more than 20 years and Quadel was originally recommended to them then by HUD. While Dexter is their CEO, at some point in the past, he was over their voucher program. There are regular quarterly meetings with the President and director, and weekly meetings with the onsite manager. When Quadel took over the program management, they interviewed all staff and retained most of them. They have improved from a standard to a high performer under Quadel. After

COVID, they are now transitioning to a more mobile connection, which meant educating tenants and landlords; use of kiosks and scanners to scan documents; use of electronic portals; and hired a PR firm to assist. They rebid the program out in 2018 and Quadel was still a lower bidder than the other firm that submitted a proposal. He felt that we should ask two questions of respondents: is there any litigation that they are involved in, and if they have a history of change orders (a higher cost for something they didn't disclose).

Emerging Business Enterprise and Section 3

Quadel proposed a 1% minority business enterprise participation on the project by subcontracting IT consulting and technical advice.

CVR proposed a 20% minority business enterprise participation on the project by subcontracting with an SBA-certified minority and woman-owned business to assist with annual and interim recertifications and other work.

Regarding Section 3, both companies committed that to the greatest extent feasible, employment and economic opportunities would be directed to low and very-low persons, including those that are recipients of HUD housing assistance.

Best and Final Offer and Contract Negotiation

On 8/15/2024, HACM requested CVR and Quadel to each submit a draft of a contract that covered the following items as well as any other contract terms customarily included in your service contracts:

1. Complete scope of work and service delivery
2. Term and transition schedule
3. Fee schedule—Discuss potential costs that may arise outside of proposed Admin Fee %
4. Itemization of cost obligations, inclusive of outside services procured
5. Anticipated continued responsibilities of HACM (operating costs, staff support)
6. Guaranteed standards
7. Performance metrics and established timeline
8. Use of proprietary systems
9. Use of outside contractors
10. Indemnification, claims and litigation

Additionally, they were asked to provide contract terms for the 100% file review for 2022 and 2023:

11. Timeline
12. Fee schedule
13. Dedicated staffing plan
14. Costs associated with additionally reviewing prior years, back to 2017 if deemed necessary

Both CVR and Quadel submitted draft contracts within a week of the request. HACM's Procurement Director Kent Britton, Fernando Aniban, Ken Barbeau, Dena Hunt, and HACM's Assistant City Attorney Gregory Kruse reviewed the draft contracts and submitted a number of questions/comments/suggested revisions in contract terms to each company. Each company then scheduled a meeting with this subgroup to discuss the suggestions. Finally, CVR and Quadel was asked to submit their best and final offer including any changes to the contract terms.

Evaluation of Costs:

As previously stated, cost was not a scorable factor in the RFP process, due to the fact that HACM had included a requirement in the RFP that the overall cost to manage and operate the voucher program should not exceed 80% of the amount of annual Administrative fees received from HUD.

Even though it was not part of the scoring, the evaluation team and HACM finance did analyze the impact of the full cost to HACM of each proposal. The analysis was all-inclusive of three cost factors: (1) the cost over time of the % of admin fee to operate the program; (2) the costs of any factors that needed to be paid out of HACM's share of the administrative fee; and (3) the cost of the 100% participant file review.

Taking all these factors into account, it did appear that the CVR proposal was slightly less expensive to HACM than the Quadel proposal. That did not, however, impact the overall score.

Metrics and Reporting

See Appendix B -Metrics and Reporting on page 16 for more information.

Final Scoring:

Some of the additional comments from the evaluation team:

- Both firms exhibit subject matter expertise in all needed areas
- Both firms have worked with HUD to provide training and technical assistance
- Some evaluators felt CVR displayed a good focus on customer service (portals, surveys, staff performance monitoring)
- Both firms proposed similar org charts with equivalent # of staff, contractor support and department structures
- Some evaluators preferred CVR's call center approach

- Both firms provided a comprehensive transition schedule, estimating 60 days for cutover
- Some thought CVR exhibited a more flexible, customizable model in assessing HACM needs (hiring, policy, branding, community involvement)
- While both firms propose a separate team for 100% file review over 12 months, CVR was more open to possibility of completing reviews in shorter timeframe, to prioritize actions that impact financials. However, both CVR and Quadel agreed that a shorter timeframe may not be possible and that it depends on the actual condition of the participant files from HACM.
- Quadel discussed a scaled-back approach for administrative plan with supplemental standard operating procedures and job aids (which was a positive to some reviewers).
- Both CVR and Quadel were clear that HACM was a priority to them. Both would bring in additional support if needed and Quadel mentioned that they would scale back other technical assistance engagements to prioritize HACM.
- Both firms had identified persons who would be assigned to lead the Milwaukee project. However, some reviewers were concerned that the Quadel project leader had other projects that they were responsible for, which could well limit their time on the ground in Milwaukee. The CVR project leader appeared more likely to be assigned full-time in Milwaukee for a longer period of time to ensure the project was running appropriately.
- CVR has past performance with HACM as they were hired by HUD to provide technical assistance as recommended by HUD and produced a 139-page report with 35 observations and recommendations. Thus, they may be more familiar at first with HACM so may be better prepared to hit the ground running. However, both would need to learn more program details during the transition period.
- Both firms provided examples of long-term clients, with several examples of getting PHAs to High Performer status and are considered high quality consulting firms in the industry.

Six members of the evaluation committee participated in the 2nd interviews with the top two Proposers and submitted final scoring (Fernando Aniban, Jacqueline Martinez, Julie Wilson, Claire Zautke, Ken Barbeau, and Dena Hunt).

Of the six evaluators in the final round, five of them listed CVR as the highest in points scored and one listed Quadel as higher. Several of the scores were very close. Over the course of several rounds of scoring, CVR exceeded Quadel in points in each round of the evaluation – sometimes by 1 or 2 points and sometimes by 3-5 points.

The average of the evaluator final scores for the two finalists are as follows:

Criteria for Evaluation—FINAL RECOMMENDATION	Maximum Points Available	CVR	Quadel
Team Expertise/ Firm Experience	25	22.67	21.17
HCV Management Plan	50	45.83	42.42
Past Performance	25	22.58	21.88
Cost	N/A	N/A	N/A
Total	100.00	91.08	85.59

Both CVR Associates, Inc. and Quadel Consulting and Training, LLC provide high quality services to PHAs. All of the evaluators stated that no matter which way the decision ended up, they believed that HACM and its residents would be well-served by either CVR or Quadel.

Conclusion

In the end and based on the evaluation process as outlined in the RFP, the Evaluation Committee is recommending the highest scoring proposal from CVR Associates, Inc. for the award of contract for the management and operation of the entire HCV program.

Appendix A----Basics of Voucher Program Funding

The U.S. Department of Housing and Urban Development (HUD) normally provides two types of payments to a PHA for the Housing Choice Voucher program (HCV) : (1) housing assistance payments (HAP) and (2) administrative fees. Funds are usually distributed at the beginning of each month to cover that month's estimated HAP and operating expenses.

What is Housing Assistance Payment (HAP) funding?

HAP funds are primarily used to pay the subsidized portion of the rent to a landlord in the voucher program. Use of HAP funds, including restricted net position (also called PHA-held HAP funds) and HUD-held HAP funds are limited to:

- Housing Assistance Payments (HAP)—subsidized portion of rent to a landlord
- Family Self-sufficiency (FSS) Escrow Payments
- Utility Reimbursements
- HAP funds **cannot** be used to cover administrative costs. They cannot also be loaned or advanced to any other program or activity (such as public housing or any other PHA program)

What are Administrative Fees?

Administrative fees are monies that are provided by HUD to a public housing authority to pay for costs that are incurred specifically to perform a PHA's administrative responsibilities with regard to the voucher program. This typically covers all costs associated with operation of the program, including salaries and benefits of staff that specifically work and perform duties for the voucher program and all other costs associated with the program (equipment, supplies, postage, IT costs, etc.).

Administrative fees are paid by HUD based on units leased by the first of the month as reported in the Voucher Management System (VMS). There are two administrative fee rates that are set by HUD. Column A rate applies to the first 7,200 unit months leased. The Column B rate applies to the remaining unit months leased. The funding also is prorated to adjust it to the funding that is available nationally from HUD/Congress based on voucher program needs nationwide.

Appendix B: Metrics and Reporting

Part of the steps in the Transition Plan are to meet to establish the reporting structure and goals. The RFP stated that one of the requirements for the contractor was to : “Create, monitor, and manage the program budget and provide budget vs. actual reporting to the HACM Board of Commissioners on a quarterly basis. Performance measurement reporting on key performance indicators, however, may be done more frequently than quarterly with the HACM Board of Commissioners.” Additionally, the Contractor will be meeting at a minimum monthly with both HUD and HACM to go over the Two-Year Tool and discuss status on the Corrective Action Plan.

Here are some of the significant key performance indicators/metrics from the recommended Proposer’s (CVR) proposal:

- **SEMAP Performance:** CVR’s goal is to attain Standard Performer in year one and High Performer status in year two and CVR shall make reasonable efforts to achieve the same, although ultimately this would also depend on the current status of the SEMAP Indicators.
- **Funding Utilization and PIC Reporting:** CVR will make reasonable efforts for 98% funding utilization and a 95% PIC reporting rate before the end of year one. PIC stands for “PIH Information Center” and is one of the major systems that HUD uses for PHAs to report program data to HUD.
- **100% Participant File Review:** CVR’s goal is to make reasonable efforts to complete the 100% participant file review as early as possible but within one year.
- **Customer Service:** CVR will monitor calls received that call center staff are unable to resolve. Call center staff will create tickets for resolution within 48 hours. Inquiries not resolved within 48 hours will be escalated to the executive management team and such team shall work to resolve the same until resolution is achieved. In addition, CVR will launch a customer service ‘Strive for 5’ effort, in which surveys will be provided to participants and owners during the recertification, leasing, and inspection processes. Surveys will allow for a 1 through 5 rating, in five key areas. CVR will strive for the highest customer service rating.