



**REQUEST FOR PROPOSALS**

**for**

**Utility Allowance Calculator**

**INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY  
30 South Meridian Street, Suite 1000  
Indianapolis, IN 46204  
<http://www.in.gov/ihcda/>**

**317-232-7777**

**ISSUE DATE: January 24, 2014  
RESPONSE DEADLINE: February 14, 2014 by 5:00 PM EST**

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## **PART 1**

## **SCOPE OF THIS REQUEST**

### **1.1 PURPOSE OF THIS REQUEST FOR PROPOSALS (“RFP”)**

The Indiana Housing and Community Development Authority (“IHCDA”) seeks to contract with an independent contractor to create a utility allowance calculator (“the calculator”) to generate property-specific utility allowances under the “qualified engineer estimate” methodology for IHCDA funded rental properties, as detailed in the Scope of Services section of the RFP.

### **1.2 ABOUT THE INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY**

#### **Mission Statement**

IHCDA creates housing opportunity, generates and preserves assets, and revitalizes neighborhoods by investing financial and technical resources in the development efforts of qualified partners throughout Indiana. Our charge is to help communities build upon their strengths to create places with ready access to opportunity, goods, and services. We also promote, finance, and support a broad range of housing solutions, from temporary shelters to homeownership.

IHCDA's work is done in partnership with developers, lenders, investors, and nonprofit organizations that use our financing to serve low- and moderate-income Hoosiers. We leverage government and private funds to invest in financially sound, well-designed projects that will benefit communities for many years to come. And our investments bear outstanding returns. The activities that we finance help families become more stable, put down roots, and climb the economic ladder. In turn, communities grow and prosper, broadening their tax base, creating new jobs, and maximizing local resources. IHCDA's work is truly a vehicle for economic growth, made possible through the partnerships we hold with stakeholders throughout Indiana

#### **Overview (for more information visit <http://www.in.gov/ihcda/>)**

IHCDA was created in 1978 by the Indiana General Assembly and is a quasi-public financially self-sufficient statewide government agency. IHCDA's programs are successful in large part because of the growing network of partnerships we have established with local, state, and federal governments, for-profit businesses and not-for-profit organizations. For-profit partners include investment banks, mortgage lenders, commercial banks, corporate investment managers and syndicators, apartment developers, investors, homebuilders, and Realtors. Not-for-profit partners include community development corporations, community action agencies, and not-for-profit developers.

### 1.3 MINIMUM REQUIREMENTS

Respondents must meet the following minimum requirements to be deemed responsive to this RFP.

#### **Credentials / Experience Requirements**

- Demonstrated ability to understand and analyze utility data;
- Demonstrated knowledge of utility allowance calculation methodologies; and
- Preferably at least 3 years of relevant experience in utility allowance calculation for affordable housing.

#### **Submission Requirements**

- To be considered for selection, the respondent must comply with all submission requirements as outlined in Parts 1.5 and 2.3 below.

### 1.4 SCOPE OF SERVICES

IHCDA's Real Estate Department allocates and monitors a number of federal and state housing programs that support the construction and rehabilitation of affordable rental housing. Under these program regulations, the property owner cannot charge rents that exceed published program rent limits. The published rent limit is the sum of tenant-paid rent portion plus a utility allowance for tenant-paid utilities. Therefore, to determine the amount of rent that can actually be charged to the tenant, the property owner must first identify the applicable utility allowance and deduct this amount from the rent limit.

In 2009, the Internal Revenue Service ("IRS") updated its utility allowance regulations for the Section 42 Low-income Housing Tax Credit Program to allow a number of new methodologies for the property owner to calculate a utility allowance. One such methodology was the calculation of a property-specific utility allowance by a qualified engineer using a model that takes into account such factors as property design features (including construction materials, appliances, energy efficiency designs, etc.) local utility rates and taxes, climate zone, etc. In 2013, the U.S. Department of Housing and Urban Development ("HUD") released a new final rule for its Home Investment Partnerships Program ("HOME"). Under the new rule, properties receiving HOME funds after January 2015 must use a property-specific utility allowance.

Because IHCDA's two primary programs for funding affordable rental housing now allow or require property-specific utility allowances, the agency must implement a more efficient system for its partners (i.e. developers, property owners, and management companies) to determine utility allowances specific to the properties in their portfolios. A property-specific utility allowance is more accurate, which generally provides a better rent potential for owners and allows IHCDA to conduct more accurate rent forecasting in its project underwriting. With this in mind, IHCDA has released this RFP to create a utility allowance calculator that will calculate such property-specific utility allowances using the "qualified engineer estimate" methodology.

In consultation with IHCDA, the vendor will be responsible for creating and coordinating the administration of the calculator in the following ways:

- a. Create a Utility Allowance Calculator: The successful respondent will be responsible for creating a calculator that generates property-specific utility allowances for IHCDA partners. This calculator must, at a minimum, meet the following requirements:
  - i. Calculator must be able to interface with IHCDA's existing internal database and external online reporting system, Authority DMS;
  - ii. Calculator must create a utility allowance model that is specific to a property based on a number of factors, including property design (construction materials, appliances, energy efficiency initiatives, etc.) and location (climate zone, local utility and tax rates, etc.). A simple consumption model that bases utility allowance only on utility usage data will not meet the requirements of this RFP;
  - iii. Calculator must be able to create a utility allowance for all types of property designs, including but not limited to, new construction single-family housing, rehabilitated single-family housing, new construction multi-family housing, rehabilitated multi-family housing, and adaptive reuse (conversion of non-housing buildings into multi-family housing). Multi-family housing includes different designs such as high-rise apartments, townhomes, flats, etc.
  - iv. Calculator must be able to create a utility allowance for properties at all phases of their life cycle, including but not limited to, properties at the application phase (pre-funding), properties under construction, new properties under lease-up, and existing properties at any year in their affordability/compliance period.
  
- b. Maintain the Utility Allowance Calculator: The successful respondent will be responsible for working with IHCDA post-creation of the calculator to ensure the calculator is properly implemented and maintained. This includes the following:
  - i. Work with IHCDA and its software provider (Roeing Corporation) to integrate the calculator into IHCDA's Authority DMS database system;
  - ii. Test calculator with live data to ensure accuracy and provide spot-testing for ongoing functionality;
  - iii. Provide ongoing assistance to property owners/managers to ensure that property data is correctly setup to generate accurate utility allowances; and
  - iv. Keep the calculation formulas updated with current data (e.g. local utility rates and taxes) to ensure allowances created by the calculator are accurate.

## 1.5 **FORMAT FOR SUBMISSION, MAILING INSTRUCTIONS, AND DUE DATE**

Qualifications must be submitted in complete original form by post mail or messenger to the following address:

Matt Rayburn  
Chief Real Estate Development Officer

Indiana Housing and Community Development Authority  
30 South Meridian, Suite 1000  
Indianapolis, IN 46204

Respondents must provide an original copy of the qualifications and supporting material. **The deadline for submission is Friday February 14, 2014 by 5:00 PM EST.**

Qualifications that do not contain all of the required forms/documents as listed in this RFP packet may be determined ineligible for further consideration.

Questions about submission may be addressed to Matt Rayburn via [mrayburn@ihcda.in.gov](mailto:mrayburn@ihcda.in.gov) or 317-233-9564.

## **PART 2 RFP PROCESS**

### **2.1 SELECTION PROCESS**

Evaluation of all qualifications will be done by IHCDA's selection committee. Based on the evaluation criteria, a short list of the highest ranked respondents may be selected and notified to present a demonstration of their qualifications. Separate negotiations will then be conducted with each selected respondent to discuss qualifications. At the conclusion of these negotiations, final selection will be at the sole discretion of IHCDA.

### **2.2 QUALIFICATION EVALUATION CRITERIA**

The following will be IHCDA's primary consideration in the selection process:

1. Compliance with submission requirements of this RFP as outlined in Parts 1.5 and 2.3 of the RFP;
2. An assessment of the respondent's ability to deliver the indicated service in accordance with the scope of work as set out in Part 1.4 of the RFP;
3. Credentials and experience of the respondent;
4. Strength of client references;
5. Proposed business model; and
6. Competitive fee structure

### **2.3 RFP SUBMISSION ITEMS**

Respondents submitting qualifications should be authorized to do business in the State of Indiana and have a favorable business reputation. Please address each item applicable to your credentials and experience under each category below. Please submit items in the order requested.

1. Completed copy of Qualification Cover Sheet (see Part 3.3 below for template)
2. Completed copy of Certification of Bidder (see Part 3.4 below for template)
3. Quality and Experience

- a. Detailed proof of the ability to provide service: Provide narrative explaining knowledge and capacity related to analyzing utility data and creating utility allowances for the affordable housing industry.
  - b. Experience: Provide narrative description of company history and services/products. Provide experience of principals and staff of company through submission of resumes summarizing related credentials.
4. Proposal
- a. Plan to create calculator: Provide narrative with a detailed explanation of how the stated scope of work will be achieved. The narrative must address projected timelines, method of implementation, and description of all utility systems/programs that will be utilized to create the calculator.
  - b. Business model: Provide narrative outlining a proposed business model for an ongoing relationship between respondent and IHCDA after the calculator has been created. The business model must account for how the calculator will be tested for accuracy, implemented for use by IHCDA partners including property owners and managers, and kept current with updated utility information.
5. Proposed fee structure
6. Listing of current references (at least three) with contact information

## **PART 3**

## **TERMS AND CONDITIONS**

### **3.1 STATE POLICIES**

1. **Ethical Compliance:** By submitting a proposal, the respondent certifies that it shall abide by all ethical requirements that apply to persons who have a business relationship with the State, as set forth in Indiana Code § 4-2-6 et seq., Ind. Code § 4-2-7, et seq., the regulations promulgated thereunder, and Executive Order 04-08, dated April 27, 2004. Respondent will be required to attend online ethics training conducted by the State of Indiana.
2. **Confidential Information:** Respondents are advised that materials contained in proposals are subject to the Access to Public Records Act (“APRA”), IC 5-14-3 et. seq., and the entire response may be viewed and copied by any member of the public. Respondents claiming a statutory exemption to disclosure under APRA must place all confidential documents (including the requisite number of copies) in a sealed envelope marked “Confidential”. Respondents should be aware that if a public records request is made under APRA, IHCDA will make an independent determination of confidentiality, and may seek the opinion of the Public Access Counselor. Prices are not considered confidential information.
3. **Taxes, Fees and Penalties:** By submitting a proposal respondent certifies that neither it nor its principal(s) is presently in arrears in payment of its taxes, permit fees or other statutory, regulatory or judicially required payments to the State of Indiana or the United States Treasury. Respondent further warrants that it has no current, pending or outstanding

criminal, civil, or enforcement actions initiated by either the State or Federal Government pending against it, and agrees that it will immediately notify IHCDA of any such actions.

4. **Conflict of Interest** - Respondent must disclose any existing or potential conflict of interest relative to the performance of the services resulting from this RFP, including any relationship that might be perceived or represented as a conflict. By submitting a proposal in response to this RFP, respondent affirms that it has not given, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant or any employee or representative of same, in connection with this procurement. Any attempt to intentionally or unintentionally conceal or obfuscate a conflict of interest will automatically result in the disqualification of the respondent's proposal or immediate termination of an awardee's Contract. An award will not be made where an actual conflict of interest exists. IHCDA will determine whether a conflict of interest exists and whether an apparent conflict of interest may reflect negatively on IHCDA, should IHCDA select respondent. Further, IHCDA reserves the right to disqualify any respondent on the grounds of actual or apparent conflict of interest.

### 3.2 RFP TERMS AND CONDITIONS

This request is issued subject to the following terms and conditions:

1. This RFP is a request for the submission of qualifications, but is not itself an offer and shall under no circumstances be construed as an offer.
2. IHCDA expressly reserves the right to modify or withdraw this request at any time, whether before or after any qualifications have been submitted or received.
3. IHCDA reserves the right to reject and not consider any or all respondents that do not meet the requirements of this RFP, including but not limited to: incomplete qualifications and/or qualifications offering alternate or non-requested services.
4. IHCDA reserves the right to reject any or all companies, to waive any informality in the RFP process, or to terminate the RFP process at any time, if deemed to be in its best interest.
5. In the event the party selected does not enter into the required agreement to carry out the purposes described in this request, IHCDA may, in addition to any other rights or remedies available at law or in equity, commence negotiations with another person or entity.
6. In no event shall any obligations of any kind be enforceable against IHCDA unless and until a written agreement is entered into.
7. Each respondent agrees to bear all costs and expenses of its response and there shall be no reimbursement for any costs and expenses relating to the preparation of responses of qualifications submitted hereunder or for any costs or expenses incurred during negotiations.
8. By submitting a response to this request, each respondent waives all rights to protest or seek any remedies whatsoever regarding any aspect of this request, the selection of a respondent or respondents with whom to negotiate, the rejection of any or all offers to negotiate, or a decision to terminate negotiations.
9. IHCDA reserves the right not to award a contract pursuant to the RFP.
10. All items become the property of IHCDA upon submission and will not be returned to the respondent.
11. IHCDA reserves the right to split the award between multiple applicants and make the award on a category by category basis and/or remove categories from the award.



12. The respondent certifies that neither it nor its principals, contractors, or agents are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from utilizing federal funds by any federal or state department or agency.
13. A copy of IHCDA's Contract Boilerplate is attached as an Exhibit to this RFP. By submitting a response to this RFP, respondent acknowledges the acceptance of IHCDA's Contract Boilerplate and the understanding that such Boilerplate is non-negotiable.

# IHCDA UTILITY ALLOWANCE CALCULATOR

## 3.3 QUALIFICATION COVER SHEET

Name of Individual,  
Firm or Business:

Address:

Phone Number:  
Fax Number:  
Web Site Address:

RFP Contact Person:

Title:  
Email Address:

Contract Signatory  
Authority:

Title:

# INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY

## 3.4 CERTIFICATION OF BIDDER

I hereby certify that the information contained in these qualifications and any attachments is true and correct and may be viewed as an accurate representation of proposed services to be provided by this organization. I acknowledge that I have read and understood the requirements and provisions of the RFP.

I \_\_\_\_\_ am the \_\_\_\_\_ of the (type name of signatory authority) corporation, partnership, association, or other entity named as company and respondent herein, and I am legally authorized to sign this and submit it to the Indiana Housing and Community Development Authority on behalf of said organization.

18 U.S.C. § 1001, "Fraud and False Statements," provides among other things, in any matter within the jurisdiction of the executive, legislative, or judicial branch of the Government of the United States, anyone who knowingly and willfully: (1) falsifies, conceals, or covers up by any trick, scheme, or device a material fact; (2) makes any materially false, fictitious, or fraudulent statement or representation; or (3) makes or uses any false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry; shall be fined under this title, and/or imprisoned for not longer than five (5) years.

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Firm name: \_\_\_\_\_