



**Notice Requesting Proposals for Below Market Rate Program Administrator  
Spec. No. SLO-BMR-2021**

The City of San Luis Obispo is requesting sealed proposals for a Below Market Rate (BMR) Housing Program Administrator over a 2-year term (with an option to extend for another 2 years). All proposals must be received by the Department of Finance (990 Palm Street) by 3:00 p.m. on **June 4, 2021**.

All firms interested in receiving further correspondence regarding this Request for Proposals (RFP) will be required to complete a free registration proposal using BidSync (<https://www.bidsync.com/bidsync-app-web/vendor/register/Login.xhtml>).

All proposals must be received via BidSync by the Department of Finance at or before **June 4, 2021**, when they will be opened electronically in BidSync.

Proposals received after said time may not be considered. The preferred method of submission is electronically via BidSync, but if you wish to send a hard copy, to guard against premature opening, each proposal shall be submitted to the Department of Finance in a sealed envelope plainly marked with the proposal title, project number, proposer name, and time and date of the proposal opening. Proposals shall be submitted using the forms provided in the project package.

An optional pre-proposal conference will be held to answer any questions that the prospective proposers may have regarding the City's request for proposals. **[Pre-proposal conferences are optional but should be included in the notice if one is held]**

**May 26, 2021 at 1:00 p.m.**  
**Via Teleconference**  
**Teleconferencing details TBD**

Project packages and additional information may be obtained at the City's BidSync website at [www.BidSync.com](http://www.BidSync.com).

Please contact Dan Clancy at [dclancy@slocity.org](mailto:dclancy@slocity.org) with any questions. For technical issues with BidSync, please contact BidSync customer help at **[800-990-9339]**



The City of San Luis Obispo is committed to including disabled persons in all of our services, programs and activities. Telecommunications Device for the Deaf (805) 781-7410.

## TABLE OF CONTENTS

A.	INTRODUCTION .....	1
B.	SCOPE OF WORK.....	2
C.	PROJECT SCHEDULE .....	4
D.	PROJECT BUDGET .....	4
E.	GENERAL TERMS AND CONDITIONS .....	4
F.	CONTRACT AWARD AND EXECUTION.....	5
G.	CONTRACT PERFORMANCE.....	6
H.	SPECIAL TERMS AND CONDITIONS .....	9
I.	PROPOSAL CONTENT.....	11
J.	PROPOSAL REVIEW.....	13
K.	FORM OF AGREEMENT.....	15
L.	INSURANCE REQUIREMENTS .....	17
M.	PROPOSAL SUBMITTAL FORM – <i>SAMPLE</i> .....	18

## **A. INTRODUCTION**

---

The City's first Inclusionary Housing Ordinance was adopted in 1999 and since that time, the City has made great strides in ensuring that a percentage of all new housing units are affordable to income-eligible households, defined as extremely-low, very-low, low, and moderate income. These homes are insured to remain at prices "below the market rate (BMR)" through deed-restrictions, covenants, and affordability agreements. Over the past several years, the City's BMR Portfolio has grown substantially, and staff is experiencing that they do not have the capacity nor resources to effectively accomplish the management and administration of this effort moving forward, especially given the high volume of affordable housing development on the horizon, estimated to be approximately 160 units. It is for those reasons the City of San Luis Obispo is soliciting outside consultant expertise to oversee the administration of this program for BMR ownership and rental units, as well as the First-Time Homebuyer Loan program.

### **BMR Ownership Units**

There are approximately 73 BRM homeownership units within the City's Inclusionary Housing Portfolio. The most recent additions are 5 units within the South Morros neighborhood, of which 3 have sold in the past eight months and the other 2 are expected to sell by the end of summer. These units are restricted with a mix of Deeds of Trust, Promissory Notes, and Resale Restriction Agreements that are recorded on title of the properties. These documents, among other items, dictate the sale/resale process, the allowable sales price, income qualifications of subsequent buyers, refinancing provisions, and repayment requirements due upon sale or default.

### **BMR Rental Units**

The City has approximately 106 affordable rental units scattered throughout the City in majority market-rate complexes. These units were built consistent with the Inclusionary Housing Ordinance and are secured affordable through deed-restrictions (or affordability covenants/agreements) entered into by the City and the owners of the overall development. The units subject to these agreements are proposed to be managed by the BMR Administrator Consultant.

The City also has a healthy inventory of rental units managed by non-profit housing agencies (i.e. HASLO, Peoples' Self-Help Housing, etc.), which were partially developed by City financing mechanisms (i.e. the Affordable Housing Fund, Community Development Block Grants, Impact Fee Deferral loans). These units are within complexes that are 100% affordable due to tax credit and/or other subsequent federal, state, and local requirements, and thus have multiple deed-restrictions recorded on title of the properties due to the criteria stipulated by those various funding sources. Because of the complexity of these compliance requirements, the City is not proposing to have the BMR Administrator Consultant manage these units and will stay within staff's purview to monitor.

### **First-Time Homebuyer/BEGIN Program Loans**

The City also has various first-time homebuyer assistance loans utilizing the State grant BEGIN Program and City Affordable Housing Fund dollars. Currently, there are 11 active loans and approximately \$200,000 available for issuance. Funds are issued as 30-year loans, that are executed via a Promissory Note, evidenced by a Deed of Trust that are recorded on title of the property purchased, which are due upon sale or at the request of the homeowner. The City anticipates the BMR Administrator Consultant will be able to monitor and market these loans given their anticipated expertise in loan management.

## B. SCOPE OF WORK

---

The subject RFP solicits the services of a BMR Program Administrator consultant to oversee the administration of the City's BMR ownership and rental units, as well as the First-Time Homebuyer Loan program. It is anticipated that administrator will be responsible for the following:

### 1. BMR Program Administration Setup

- a. Review, update (if necessary), and transfer the City's existing BMR Interest List database to consultant administration which will be owned by the City.
- b. Review and organize San Luis Obispo BMR homeowner files, loan files, and the City's existing digital inventory and create a system for ongoing administration and monitoring.
- c. Review existing BMR Agreement templates and suggest modifications that are in line with industry best practices.
- d. Update existing flow charts and protocols for BMR home transfers, loan payoff/subordination, default remedies, and other processes associated with BMR ownership transactions.
- e. Review and develop recommendations to establish new City impact fees associated with costs of BMR Program transactions.
- f. Update City Affordable Housing webpage with content and information pertaining to updated/amended policies and procedures for the BMR program, online application forms and other relevant information.

### 2. BMR Program Administration

- a. **BMR Inquiries (ongoing):** The BMR Administrator will be responsible for handling calls, emails, and in-person inquiries from current housing portfolio loan holders and respond in a timely manner.
- b. **BMR Eligibility and Interest List (ongoing):** The BMR Administrator will maintain a list of qualified buyers and interested prospective buyers.
- c. **BMR Program Reports:** The BMR Administrator will provide semi-annual updates to staff and the City Council on the general status of the BMR program administration, including:
  - i. General Program activity (e.g., BMR inquiries)
  - ii. BMR compliance. See item #3
  - iii. Loan activity. See item #4
  - iv. Current inventory of affordable units (subject to formal Agreement with the City)vii. Other information as needed for State reporting

### 3. Annual BMR Compliance Monitoring

- a. **Documentation:** Administrator will administer the program and assure Affordability Deed Restrictions are recorded and followed by all parties as applicable for each property.

- b. **BMR Homeowner Certification:** The BMR Administrator will coordinate with homeowners on an annual basis to certify that the original buyer continues to comply with the signed BMR Agreement including living in the BMR home as their principal residence. The BMR Administrator will work with the City to remedy potential BMR defaults in accordance with the BMR Agreement.
- c. **BMR Renter Certification:** The BMR Administrator will coordinate with property managers, tenants, and the Housing Authority of San Luis Obispo (HASLO) on an annual basis to certify that all BMR units are occupied by renters who continue to meet income requirements. The BMR Administrator will also ensure that the appropriate rent and utilities are being charged given annual updates to the City's Affordable Housing Standards, based on HUD income limits.

#### 4. Existing Loan Administration

- a. The BMR Administrator will maintain an updated database, to be owned by the City, of all first-time-homebuyer and other housing loans (borrower name and address, loan amount, interest rate, loan term, loan distribution date and due date). This database will also include principal and interest received for loans that have been paid off, as well as any principal written off as a result of foreclosure or other default.
- b. The BMR Administrator will monitor existing first-time-homebuyer and other housing loans annually to ensure that the borrower remains in compliance with the loan agreement (e.g., current homeowner insurance, original buyer continues to reside on property). In case of default, the BMR Administrator will contact the owner and work with the City to see that the loan is repaid.
- c. The BMR Administrator will work with the City to process all paperwork and legal recordings required when first-time homebuyer loans and other housing loans are paid off or refinanced (as needed basis).

#### 5. BMR Home Sales/Resales (as needed basis)

- a. **BMR Marketing:** The BMR Administrator will work with each Developer and/or the City to market the availability of new and resale BMR homes to eligible households who have expressed interest in the BMR program. BMR Administrator will also be responsible ensuring Developers compliance with sale provisions dictated in recorded Development Agreements (i.e. San Luis Ranch and Avila Ranch) and Affordable Housing Agreements. This task will include providing marketing materials in both English and Spanish to City staff for the City's website.
- b. **Interest Rates, Homeowner's Association Fees, and Sales Price:** Upon request, the BMR Administrator will supply the City with current mortgage interest rates and other information necessary to amend (if necessary) sales prices and/or interest rates of new BMR homes and existing BMR homes being offered for resale.
- c. **Homeowner Eligibility:** The BMR Administrator will submit the data on each eligible applicant to the City for approval prior to formalizing any Agreement.

- 6. **BMR Programs:** The BMR Administrator will work with City staff to recommend, develop and implement programs. City Council will approve any new programs under this task.

- a. Administrator will regularly update program guidelines and program materials in conjunction with Agency staff to reflect the Administrator’s administrative process for Program Administration including, but not limited to: applications, program pamphlets, rent & resale calculations (i.e. Affordable Housing Standards), selection processes, vacancies, sale and resale of units, refinancing requests, collection of Agency fees and other applicable fees, and default monitoring/resolution process. Administrator’s objective will be to work alongside Agency Staff to incorporate “learnings” from the team’s collective history with Affordability Programs in California.

## C. PROJECT SCHEDULE

---

As this Project will be ongoing, no activity and scheduled dates are necessary. Instead, contractor will comply with expectations and reporting deadlines outlined in the Scope of Work and subsequent agreement to be executed upon selection of contractor. Please refer to Section I – Proposal Review below for a tentative schedule regarding the review process for proposals received. Note that administration of the BMR Program is due to commence on **August 16, 2021**.

## D. PROJECT BUDGET

---

The administration of the City’s BMR Program is budgeted at \$117,000 annually for the next two City fiscal years (Year1: July 1, 2021 – June 30, 2022; Year 2: July 1, 2022 - June 30, 2023). Upon the end of the two-year period, the City will consider extending contract budget for subsequent 2-year period.

## E. GENERAL TERMS AND CONDITIONS

---

### PROPOSAL REQUIREMENTS

1. **Requirement to Meet All Provisions.** Each individual or firm submitting a proposal (bidder) shall meet all the terms, and conditions of the Request for Proposals (RFP) project package. By virtue of its proposal submittal, the bidder acknowledges agreement with and acceptance of all provisions of the RFP specifications.
2. **Proposal Submittal.** Each proposal must be submitted on the form(s) provided in the specifications and accompanied by any other required submittals or supplemental materials. Proposal documents shall be enclosed in an envelope that shall be sealed and addressed to the Department of Finance, City of San Luis Obispo, 990 Palm Street, San Luis Obispo, CA, 93401. To guard against premature opening, the proposal should be clearly labeled with the proposal title, project number, name of bidder, and date and time of proposal opening. No FAX or emailed submittals will be accepted.
3. **Insurance Certificate.** Each proposal must include a certificate of insurance showing:
  - a. The insurance carrier and its A.M. Best rating.
  - b. Scope of coverage and limits.
  - c. Deductibles and self-insured retention.

The purpose of this submittal is to generally assess the adequacy of the bidder’s insurance coverage during proposal evaluation; as discussed under paragraph 12 below, endorsements are not required until contract award. The City’s insurance requirements are detailed in Section E.

4. **Proposal Quotes and Unit Price Extension.** The extension of unit prices for the quantities indicated and the lump sum prices quoted by the bidder must be entered in figures in the spaces provided on the Proposal Submittal Form(s). Any lump sum bid shall be stated in figures. The Proposal Submittal Form(s) must be totally completed. If the unit price and the total amount stated by any bidder for any item are not in agreement, the unit price alone will be considered as representing the bidder's intention and the proposal total will be corrected to conform to the specified unit price.
5. **Proposal Withdrawal and Opening.** A bidder may withdraw its proposal, without prejudice prior to the time specified for the proposal opening, by submitting a written request to the Director of Finance for its withdrawal, in which event the proposal will be returned to the bidder unopened. No proposal received after the time specified or at any place other than that stated in the "Notice Inviting Bids/Requesting Proposals" will be considered. All proposals will be opened and declared publicly. Bidders or their representatives are invited to be present at the opening of the proposals.
6. **Submittal of One Proposal Only.** No individual or business entity of any kind shall be allowed to make or file, or to be interested as the primary submitter in more than one proposal, except an alternative proposal when specifically requested; however, an individual or business entity that has submitted a sub-proposal to a bidder submitting a proposal, or who has quoted prices on materials to such bidder, is not thereby disqualified from submitting a sub-proposal or from quoting prices to other bidders submitting proposals.
7. **Communications.** All timely requests for information submitted in writing will receive a written response from the City. Telephone communications with City staff are not encouraged but will be permitted. However, any such oral communication shall not be binding on the City.

#### **F. CONTRACT AWARD AND EXECUTION**

---

8. **Proposal Retention and Award.** The City reserves the right to retain all proposals for a period of 60 days for examination and comparison. The City also reserves the right to waive non-substantial irregularities in any proposal, to reject any or all proposals, to reject or delete one part of a proposal and accept the other, except to the extent that proposals are qualified by specific limitations. See the "special terms and conditions" in Section C of these specifications for proposal evaluation and contract award criteria.
9. **Competency and Responsibility of Bidder.** The City reserves full discretion to determine the competence and responsibility, professionally and/or financially, of bidders. Bidders will provide, in a timely manner, all information that the City deems necessary to make such a decision.
10. **Contract Requirement.** The bidder to whom award is made (Contractor) shall execute a written contract with the City within ten (10) calendar days after notice of the award has been sent by mail to it at the address given in its proposal. The contract shall be made in the form adopted by the City and incorporated in these specifications.

## G. CONTRACT PERFORMANCE

---

11. **Insurance Requirements.** The Contractor shall provide proof of insurance in the form, coverages and amounts specified in Section E of these specifications within 10 (ten) calendar days after notice of contract award as a precondition to contract execution.
12. **Business License & Tax.** The Contractor must have a valid City of San Luis Obispo business license & tax certificate before execution of the contract. Additional information regarding the City's business tax program may be obtained by calling (805) 781-7134.
13. **Ability to Perform.** The Contractor warrants that it possesses, or has arranged through subcontracts, all capital and other equipment, labor, materials, and licenses necessary to carry out and complete the work hereunder in compliance with all federal, state, county, city, and special district laws, ordinances, and regulations.
14. **Laws to be Observed.** The Contractor shall keep itself fully informed of and shall observe and comply with all applicable state and federal laws and county and City of San Luis Obispo ordinances, regulations and adopted codes during its performance of the work.
15. **Payment of Taxes.** The contract prices shall include full compensation for all taxes that the Contractor is required to pay.
16. **Permits and Licenses.** The Contractor shall procure all permits and licenses, pay all charges and fees, and give all notices necessary.
17. **Safety Provisions.** The Contractor shall conform to the rules and regulations pertaining to safety established by OSHA and the California Division of Industrial Safety.
18. **Public and Employee Safety.** Whenever the Contractor's operations create a condition hazardous to the public or City employees, it shall, at its expense and without cost to the City, furnish, erect and maintain such fences, temporary railings, barricades, lights, signs and other devices and take such other protective measures as are necessary to prevent accidents or damage or injury to the public and employees.
19. **Preservation of City Property.** The Contractor shall provide and install suitable safeguards, approved by the City, to protect City property from injury or damage. If City property is injured or damaged resulting from the Contractor's operations, it shall be replaced or restored at the Contractor's expense. The facilities shall be replaced or restored to a condition as good as when the Contractor began work.
20. **Immigration Act of 1986.** The Contractor warrants on behalf of itself and all subcontractors engaged for the performance of this work that only persons authorized to work in the United State pursuant to the Immigration Reform and Control Act of 1986 and other applicable laws shall be employed in the performance of the work hereunder.
21. **Contractor Non-Discrimination.** In the performance of this work, the Contractor agrees that it will not engage in, nor permit such subcontractors as it may employ, to engage in discrimination



in employment of persons because of age, race, color, sex, national origin or ancestry, sexual orientation, or religion of such persons.

22. **Work Delays.** Should the Contractor be obstructed or delayed in the work required to be done hereunder by changes in the work or by any default, act, or omission of the City, or by strikes, fire, earthquake, or any other Act of God, or by the inability to obtain materials, equipment, or labor due to federal government restrictions arising out of defense or war programs, then the time of completion may, at the City's sole option, be extended for such periods as may be agreed upon by the City and the Contractor. In the event that there is insufficient time to grant such extensions prior to the completion date of the contract, the City may, at the time of acceptance of the work, waive liquidated damages that may have accrued for failure to complete on time, due to any of the above, after hearing evidence as to the reasons for such delay, and making a finding as to the causes of same.
23. **Payment Terms.** The City's payment terms are 30 days from the receipt of an original invoice and acceptance by the City of the materials, supplies, equipment, or services provided by the Contractor (Net 30).
24. **Inspection.** The Contractor shall furnish City with every reasonable opportunity for City to ascertain that the services of the Contractor are being performed in accordance with the requirements and intentions of this contract. All work done, and all materials furnished, if any, shall be subject to the City's inspection and approval. The inspection of such work shall not relieve Contractor of any of its obligations to fulfill its contract requirements.
25. **Audit.** The City shall have the option of inspecting and/or auditing all records and other written materials used by Contractor in preparing its invoices to City as a condition precedent to any payment to Contractor.
26. **Interests of Contractor.** The Contractor covenants that it presently has no interest, and shall not acquire any interest—direct, indirect or otherwise—that would conflict in any manner or degree with the performance of the work hereunder. The Contractor further covenants that, in the performance of this work, no subcontractor or person having such an interest shall be employed. The Contractor certifies that no one who has or will have any financial interest in performing this work is an officer or employee of the City. It is hereby expressly agreed that, in the performance of the work hereunder, the Contractor shall at all times be deemed an independent contractor and not an agent or employee of the City.
27. **Hold Harmless and Indemnification.**
  - (a) **Non-design, non-construction Professional Services:** To the fullest extent permitted by law (including, but not limited to California Civil Code Sections 2782 and 2782.8), Consultant shall indemnify, defend, and hold harmless the City, and its elected officials, officers, employees, volunteers, and agents ("City Indemnitees"), from and against any and all causes of action, claims, liabilities, obligations, judgments, or damages, including reasonable legal counsels' fees and costs of litigation ("claims"), arising out of the Consultant's performance or Consultant's failure to perform its obligations under this Agreement or out of the operations conducted by Consultant, including the City's active or passive negligence, except for such loss or damage arising from the sole negligence or willful misconduct of the City. In the event the City Indemnitees are made a

party to any action, lawsuit, or other adversarial proceeding arising from Consultant's performance of this Agreement, the Consultant shall provide a defense to the City Indemnitees or at the City's option, reimburse the City Indemnitees their costs of defense, including reasonable legal fees, incurred in defense of such claims.

**(b) Non-design, construction Professional Services:** To the extent the Scope of Services involve a "construction contract" as that phrase is used in Civil Code Section 2783, this paragraph shall apply in place of paragraph A. To the fullest extent permitted by law (including, but not limited to California Civil Code Sections 2782 and 2782.8), Consultant shall indemnify, defend, and hold harmless the City, and its elected officials, officers, employees, volunteers, and agents ("City Indemnitees"), from and against any and all causes of action, claims, liabilities, obligations, judgments, or damages, including reasonable legal counsels' fees and costs of litigation ("claims"), arising out of the Consultant's performance or Consultant's failure to perform its obligations under this Agreement or out of the operations conducted by Consultant, except for such loss or damage arising from the active negligence, sole negligence or willful misconduct of the City. In the event the City Indemnitees are made a party to any action, lawsuit, or other adversarial proceeding arising from Consultant's performance of this Agreement, the Consultant shall provide a defense to the City Indemnitees or at the City's option, reimburse the City Indemnitees their costs of defense, including reasonable legal fees, incurred in defense of such claims.

**(c) Design Professional Services:** In the event Consultant is a "design professional", and the Scope of Services require Consultant to provide "design professional services" as those phrases are used in Civil Code Section 2782.8, this paragraph shall apply in place of paragraphs A or B. To the fullest extent permitted by law (including, but not limited to California Civil Code Sections 2782 and 2782.8) Consultant shall indemnify, defend and hold harmless the City and its elected officials, officers, employees, volunteers and agents ("City Indemnitees"), from and against all claims, damages, injuries, losses, and expenses including costs, attorney fees, expert consultant and expert witness fees arising out of, pertaining to or relating to, the negligence, recklessness or willful misconduct of Consultant, except to the extent caused by the sole negligence, active negligence or willful misconduct of the City. Negligence, recklessness or willful misconduct of any subcontractor employed by Consultant shall be conclusively deemed to be the negligence, recklessness or willful misconduct of Consultant unless adequately corrected by Consultant. In the event the City Indemnitees are made a party to any action, lawsuit, or other adversarial proceeding arising from Consultant's performance of this Agreement, the Consultant shall provide a defense to the City Indemnitees or at the City's option, reimburse the City Indemnitees their costs of defense, including reasonable legal fees, incurred in defense of such claims. In no event shall the cost to defend charged to Consultant under this paragraph exceed Consultant's proportionate percentage of fault. However, notwithstanding the previous sentence, in the event one or more defendants is unable to pay its share of defense costs due to bankruptcy or dissolution of the business, Consultant shall meet and confer with other parties regarding unpaid defense costs.

**(d)** The review, acceptance or approval of the Consultant's work or work product by any indemnified party shall not affect, relieve or reduce the Consultant's indemnification or defense obligations. This Section survives completion of the services or the termination of this contract. The provisions of this Section are not limited by and do not affect the provisions of this contract relating to insurance.

28. **Contract Assignment.** The Contractor shall not assign, transfer, convey or otherwise dispose of the contract, or its right, title or interest, or its power to execute such a contract to any individual or business entity of any kind without the previous written consent of the City.
29. **Termination for Convenience.** The City may terminate all or part of this Agreement for any or no reason at any time by giving 30 days written notice to Contractor. Should the City terminate this Agreement for convenience, the City shall be liable as follows: (a) for standard or off-the-shelf products, a reasonable restocking charge not to exceed ten (10) percent of the total purchase price; (b) for custom products, the less of a reasonable price for the raw materials, components work in progress and any finished units on hand or the price per unit reflected on this Agreement. For termination of any services pursuant to this Agreement, the City's liability will be the lesser of a reasonable price for the services rendered prior to termination, or the price for the services reflected on this Agreement. Upon termination notice from the City, Contractor must, unless otherwise directed, cease work and follow the City's directions as to work in progress and finished goods.
30. **Termination.** If, during the term of the contract, the City determines that the Contractor is not faithfully abiding by any term or condition contained herein, the City may notify the Contractor in writing of such defect or failure to perform. This notice must give the Contractor a 10 (ten) calendar day notice of time thereafter in which to perform said work or cure the deficiency.

If the Contractor has not performed the work or cured the deficiency within the ten days specified in the notice, such shall constitute a breach of the contract and the City may terminate the contract immediately by written notice to the Contractor to said effect. Thereafter, neither party shall have any further duties, obligations, responsibilities, or rights under the contract except, however, any and all obligations of the Contractor's surety shall remain in full force and effect, and shall not be extinguished, reduced, or in any manner waived by the terminations thereof.

In said event, the Contractor shall be entitled to the reasonable value of its services performed from the beginning date in which the breach occurs up to the day it received the City's Notice of Termination, minus any offset from such payment representing the City's damages from such breach. "Reasonable value" includes fees or charges for goods or services as of the last milestone or task satisfactorily delivered or completed by the Contractor as may be set forth in the Agreement payment schedule; compensation for any other work, services or goods performed or provided by the Contractor shall be based solely on the City's assessment of the value of the work-in-progress in completing the overall work scope.

The City reserves the right to delay any such payment until completion or confirmed abandonment of the project, as may be determined in the City's sole discretion, so as to permit a full and complete accounting of costs. In no event, however, shall the Contractor be entitled to receive in excess of the compensation quoted in its proposal.

#### **H. SPECIAL TERMS AND CONDITIONS**

---

1. **Contract Award.** Subject to the reservations set forth in Paragraph 9 of Section B (General Terms and Conditions) of these specifications, the contract will be awarded to the lowest responsible, responsive proposer.

2. **Sales Tax Reimbursement.**  
For sales occurring within the City of San Luis Obispo, the City receives sales tax revenues. Therefore, for bids from retail firms located in the City at the time of proposal closing for which sales tax is allocated to the City, 1% of the taxable amount of the bid will be deducted from the proposal by the City in calculating and determining the lowest responsible, responsive proposer.
3. **Labor Actions.**  
In the event that the successful proposer is experiencing a labor action at the time of contract award (or if its suppliers or subcontractors are experiencing such a labor action), the City reserves the right to declare said proposer is no longer the lowest responsible, responsive proposer and to accept the next acceptable low proposal from a proposer that is not experiencing a labor action, and to declare it to be the lowest responsible, responsive proposer.
4. **Failure to Accept Contract.**  
The following will occur if the proposer to whom the award is made (Contractor) fails to enter into the contract: the award will be annulled; any bid security will be forfeited in accordance with the special terms and conditions if a proposer's bond or security is required; and an award may be made to the next lowest responsible, responsive proposer who shall fulfill every stipulation as if it were the party to whom the first award was made.
5. **Contract Term**  
The supplies or services identified in this specification will be used by the City for up to one year. The prices quoted for these items must be valid for the entire period indicated above unless otherwise conditioned by the proposer in its proposal.
6. **Contract Extension.**  
The term of the contract may be extended by mutual consent for an additional one-year, and annually thereafter, for a total of four years.
7. **Supplemental Purchases.**  
Supplemental Purchases. Supplemental purchases may be made from the successful proposer during the contract term in addition to the items listed in the Detail Proposal Submittal Form. For these supplemental purchases, the proposer shall not offer prices to the City in excess of the amounts offered to other similar customers for the same item. If the proposer is willing to offer the City a standard discount on all supplemental purchases from its generally prevailing or published price structure during the contract term, this offer and the amount of discount on a percentage basis should be provided with the proposal submittal.
8. **Contractor Invoices**  
The Contractor may deliver either a monthly invoice to the City with attached copies of detailed invoices as supporting detail, or one lump-sum upon completion.
9. **Non-Exclusive Contract.**  
The City reserves the right to purchase the items listed in the Detail Proposal Submittal Form, as well as any supplemental items, from other vendors during the contract term.
10. **Unrestrictive Brand Names.** Any manufacturer's names, trade names, brand names or catalog numbers used in the specifications are for the purpose of describing and establishing general

quality levels. Such references are not intended to be restrictive. Proposals will be considered for any brand that meets or exceeds the quality of the specifications given for any item. In the event an alternate brand name is proposed, supplemental documentation shall be provided demonstrating that the alternate brand name meets or exceeds the requirements specified herein. The burden of proof as to the suitability of any proposed alternatives is upon the proposer, and the City shall be the sole judge in making this determination.

11. **Delivery.** Prices quoted for all supplies or equipment to be provided under the terms and conditions of this RFP package shall include delivery charges, to be delivered F.O.B. San Luis Obispo by the successful proposer and received by the City within 90 days after authorization to proceed by the City.
12. **Start and Completion of Work.** Work on this project shall begin immediately after contract execution and shall be completed within 90 calendar days thereafter, unless otherwise negotiated with City by mutual agreement.
13. **Change in Work.** The City reserves the right to change quantities of any item after contract award. If the total quantity of any changed item varies by 25% or less, there shall be no change in the agreed upon unit price for that item. Unit pricing for any quantity changes per item in excess of 25% shall be subject to negotiation with the Contractor.
14. **Submittal of References.** Each proposer shall submit a statement of qualifications and references on the form provided in the RFP package.
15. **Statement of Contract Disqualifications.** Each proposer shall submit a statement regarding any past governmental agency bidding or contract disqualifications on the form provided in the RFP package.

## **I. PROPOSAL CONTENT**

---

Proposals must, at a minimum, contain the information listed below, and may include any other information that the candidate feels will facilitate the City's consideration.

1. **Cover Letter.** Please include a cover letter which includes your interest in administering the City of San Luis Obispo's BMR Program and any other information that you would like to highlight. (MAXIMUM OF ONE PAGE)
2. **Qualifications.** Describe your firm's experience and qualifications to administer San Luis Obispo's BMR Program, including processing Resale Restriction Agreements and Deeds of Trust; loan subordination and payoff transactions; compliance monitoring and certification; transfers and defaults. Include a list of jurisdictions for which you provide similar services. Provide an example of your experience in dealing with compliance issues (i.e., steps taken, outcome, etc.). (MAXIMUM OF THREE PAGES)
3. **Program Administration.** Provide a detailed discussion of how your firm will implement and administer the BMR Program, including the protocol your firm will use for each of the tasks identified in the Scope of Services. Include a description of the anticipated interaction between your firm, the City, and BMR clients. Include an organizational chart which identifies the primary

role of each team member (e.g., BMR inquiries, document preparation, monitoring, etc.).  
(MAXIMUM OF SIX PAGES, NOT INCLUDING EXAMPLES)

- a. Provide example documents used to perform annual monitoring of both rental and ownership units.
  - b. Provide example application forms (pre-qualification, etc.) and helpful documents (e.g., FAQs, process, etc.) that an applicant would access on the dedicated webpage that would be set up for Gilroy's BMR program.
4. **Cost.**
  - a. Submit in a separate sealed envelope a cost estimate for each task in the Scope of Services (e.g., fixed fee for basic services, fee per transaction / sale). See attachment for example.
  - b. Include any other costs associated with administering the BMR program.
  - c. Include the estimated hours for each staff member assigned to each task, including the associated cost and hourly rate.
  - d. Include a not-to-exceed amount that would be contained in a potential agreement with the City.
  - e. Hourly rates may be used for pricing the cost of additional services (beyond the scope of services), as needed.
5. **Additional Information.** Provide general suggestions regarding the City's BMR program or the requested scope of services. For example, provide suggestions on how the City might improve San Luis Obispo's BMR program or finance the BMR Administrator contract through a self-sustaining fee structure, etc.
6. **Identify Key Staff.** Provide a resume for the BMR Program Manager, main point of contact, and any other key staff who will be involved in the day-to-day administration of the City's BMR program (e.g., interacting with applicants and city staff, preparing and recording legal documents, submitting reports, etc.).
7. **References.** Include the name, address, phone number, and email for a minimum of three (3) references for which you administer their affordable housing program.
8. **Insurance Coverage.** Provide a statement verifying that your firm meets the insurance requirements contained in Attachment A, Article 5, Section D. Identify carriers, A.M. Best ratings, types, and limits of insurance carried by your firm.
9. **Terminated Contracts/Litigation.** Please provide a list of contracts/agreements terminated for convenience or default within the past three years, if any. List any litigation that now affects or may affect the firm's ability to perform work in the future.

10. **Language Capabilities.** Please describe your capacity to serve Spanish speaking clients in both written and speaking form.

## J. PROPOSAL REVIEW

1. **Proposal Review and Award Schedule.** The following is an outline of the anticipated schedule for proposal review and contract award:

ACTIVITY	CONSULTANT	CITY	SCHEDULE
RFP sent to qualified consultants/Legal Ad		X	May 12, 2021
Pre-Proposal Conference (optional)	X	X	May 26, 2021
Responses due	X		June 4, 2021
City response to consultants regarding whether submittal will be considered through subsequent interview		X	June 11, 2021
Interview consultants (If needed)	X	X	June 21 – 24, 2021
Consultant selection and contract execution		X	July 9, 2021
Initial kick-off meeting with staff team	X	X	July 19 – 22, 2021
Internal Organization of Materials and Duties		X	July 19 – August 6, 2021
Transfer of Materials to Consultant	X	X	August 9 - 13, 2021
Consultant Will Commence Administration	X		August 16, 2021

2. **Pre-Proposal Conference.** An optional pre-proposal conference will be held at the following location, date, and time to answer any questions that prospective bidders may have regarding this RFP:

**May, 26, 2021 at 1:00 p.m.**

**Via Teleconference  
(teleconferencing details TBD)**

3. **Ownership of Materials.** All original drawings, plan documents and other materials prepared by or in possession of the Contractor as part of the work or services under these specifications shall become the permanent property of the City and shall be delivered to the City upon demand.
4. **Release of Reports and Information.** Any reports, information, data, or other material given to, prepared by, or assembled by the Contractor as part of the work or services under these specifications shall be the property of the City and shall not be made available to any individual or organization by the Contractor without the prior written approval of the City.
5. **Copies of Reports and Information.** If the City requests additional copies of reports, drawings, specifications, or any other material in addition to what the Contractor is required to furnish in limited quantities as part of the work or services under these specifications, the Contractor shall provide such additional copies as are requested, and City shall compensate the Contractor for the costs of duplicating of such copies at the Contractor's direct expense.
6. **Required Deliverable Products.** The Contractor will be required to provide:

- a. One electronic submission - digital-ready original .pdf of all final documents. If you wish to file a paper copy, please submit in sealed envelope to the address provided in the RFP.
- b. Corresponding computer files compatible with the following programs whenever possible unless otherwise directed by the project manager:
 

Word Processing:	MS Word
Spreadsheets:	MS Excel
Desktop Publishing:	InDesign
Virtual Models:	Sketch Up
Digital Maps:	Geodatabase shape files in State Plan Coordinate System as specified by City GIS staff
- c. City staff will review any documents or materials provided by the Contractor and, where necessary, the Contractor will be required to respond to staff comments and make such changes as deemed appropriate.

#### **ALTERNATIVE PROPOSALS**

7. **Alternative Proposals.** The proposer may submit an alternative proposal (or proposals) that it believes will also meet the City's project objectives but in a different way. In this case, the proposer must provide an analysis of the advantages and disadvantages of each of the alternative and discuss under what circumstances the City would prefer one alternative to the other(s).
8. **Attendance at Meetings and Hearings.** As part of the work scope and included in the contract price is attendance by the Contractor at up to [number] public meetings to present and discuss its findings and recommendations. Contractor shall attend as many "working" meetings with staff as necessary in performing work-scope tasks.
9. **Accuracy of Specifications.** The specifications for this project are believed by the City to be accurate and to contain no affirmative misrepresentation or any concealment of fact. Bidders are cautioned to undertake an independent analysis of any test results in the specifications, as City does not guaranty the accuracy of its interpretation of test results contained in the specifications package. In preparing its proposal, the bidder and all subcontractors named in its proposal shall bear sole responsibility for proposal preparation errors resulting from any misstatements or omissions in the plans and specifications that could easily have been ascertained by examining either the project site or accurate test data in the City's possession. Although the effect of ambiguities or defects in the plans and specifications will be as determined by law, any patent ambiguity or defect shall give rise to a duty of bidder to inquire prior to proposal submittal. Failure to so inquire shall cause any such ambiguity or defect to be construed against the bidder. An ambiguity or defect shall be considered patent if it is of such a nature that the bidder, assuming reasonable skill, ability and diligence on its part, knew or should have known of the existence of the ambiguity or defect. Furthermore, failure of the bidder or subcontractors to notify City in writing of specification or plan defects or ambiguities prior to proposal submittal shall waive any right to assert said defects or ambiguities subsequent to submittal of the proposal.



To the extent that these specifications constitute performance specifications, the City shall not be liable for costs incurred by the successful bidder to achieve the project's objective or standard beyond the amounts provided there for in the proposal.

In the event that, after awarding the contract, any dispute arises as a result of any actual or alleged ambiguity or defect in the plans and/or specifications, or any other matter whatsoever, Contractor shall immediately notify the City in writing, and the Contractor and all subcontractors shall continue to perform, irrespective of whether or not the ambiguity or defect is major, material, minor or trivial, and irrespective of whether or not a change order, time extension, or additional compensation has been granted by City. Failure to provide the hereinbefore described written notice within one (1) working day of contractor's becoming aware of the facts giving rise to the dispute shall constitute a waiver of the right to assert the causative role of the defect or ambiguity in the plans or specifications concerning the dispute.

#### **K. FORM OF AGREEMENT**

---

##### **AGREEMENT**

THIS AGREEMENT is made and entered into in the City of San Luis Obispo on [day, date, year] by and between the CITY OF SAN LUIS OBISPO, a municipal corporation, hereinafter referred to as City, and [CONTRACTOR'S NAME IN CAPITAL LETTERS], hereinafter referred to as Contractor.

##### **WITNESSETH:**

WHEREAS, on [date], City requested proposals for [ ], per Project No. [xxxx]

WHEREAS, pursuant to said request, Contractor submitted a proposal that was accepted by City for said project;

NOW THEREFORE, in consideration of their mutual promises, obligations and covenants hereinafter contained, the parties hereto agree as follows:

1. **TERM.** The term of this Agreement shall be from the date this Agreement is made and entered, as first written above, until acceptance or completion of said project.

**2. INCORPORATION BY REFERENCE.** City Specification No. \_\_\_\_\_ and Contractor's proposal dated [date] is hereby incorporated in and made a part of this Agreement and attached as Exhibit A. The City's terms and conditions are hereby incorporated in and made a part of this Agreement as Exhibit B. To the extent that there are any conflicts between the Contractor's fees and scope of work and the City's terms and conditions, the City's terms and conditions shall prevail, unless specifically agreed otherwise in writing signed by both parties.

3. **CITY'S OBLIGATIONS.** For providing the services as specified in this Agreement, City will pay, and Contractor shall receive therefore compensation [xxxxxxx]. If there are installment payments? Contractor shall be eligible for compensation installments after completion of milestone Tasks -E as shown in the attached project schedule.

4. **CONTRACTOR/CONSULTANT'S OBLIGATIONS.** For and in consideration of the payments and agreements hereinbefore mentioned to be made and performed by City, Contractor agrees with City to do everything required by this Agreement and the said specifications.

5. **AMENDMENTS.** Any amendment, modification, or variation from the terms of this Agreement shall be in writing and shall be effective only upon approval by the City Manager.

6. **COMPLETE AGREEMENT.** This written Agreement, including all writings specifically incorporated herein by reference, shall constitute the complete agreement between the parties hereto. No oral agreement, understanding or representation not reduced to writing and specifically incorporated herein shall be of any force or effect, nor shall any such oral agreement, understanding or representation be binding upon the parties hereto.

7. **NOTICE.** All written notices to the parties hereto shall be sent by United States mail, postage prepaid by registered or certified mail addressed as follows:

**City**

Name  
Dept.  
Address

**Consultant**

Name  
Title  
Address  
Address

8. **AUTHORITY TO EXECUTE AGREEMENT.** Both City and Contractor do covenant that everyone executing this agreement on behalf of each party is a person duly authorized and empowered to execute Agreements for such party.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed the day and year first above written.

CITY OF SAN LUIS OBISPO:

By: \_\_\_\_\_  
City Manager

APPROVED AS TO FORM:

CONSULTANT:

\_\_\_\_\_  
City Attorney

By: \_\_\_\_\_  
Name of CAO / President  
Its: CAO / President

#### **L. INSURANCE REQUIREMENTS**

---

##### *Operation & Maintenance Contracts*

The Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors.

**Minimum Scope of Insurance.** Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
2. Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, code 1 (any auto).
3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

**Minimum Limits of Insurance.** Contractor shall maintain limits no less than:

1. General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability or other form with a general aggregate limit is used,

either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

2. Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.
3. Employer's Liability: \$1,000,000 per accident for bodily injury or disease.

**Deductibles and Self-Insured Retentions.** Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

**Other Insurance Provisions.** The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The City, its officers, officials, employees, agents and volunteers are to be covered as insureds as respects: liability arising out of activities performed by or on behalf of the Contractor; products and completed operations of the Contractor; premises owned, occupied or used by the Contractor; or automobiles owned leased, hired or borrowed by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officers, official, employees, agents or volunteers.
2. For any claims related to this project, the Contractor's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, agents or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
3. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
4. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.

**Acceptability of Insurers.** Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

**Verification of Coverage.** Contractor shall furnish the City with a certificate of insurance showing required coverage. Original endorsements effecting general liability and automobile liability coverage are also required by this clause. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All endorsements are to be received and approved by the City before work commences.

**Subcontractors.** Contractor shall include all subcontractors as insured under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

#### **M. PROPOSAL SUBMITTAL FORM – SAMPLE**

---

A complete proposal must include the forms in this section plus the required insurance certificate.

**THESE REQUIRED PROPOSAL DOCUMENTS SHALL BE ENCLOSED IN TWO SEPARATE SEALED ENVELOPES.**

The first envelope shall be labeled "Qualification Proposal" and shall include the following proposal documents completed in full:

1. Information about the Proposing Firm
2. References
3. Statement of Past Contract Disqualifications
4. Insurance Certificate

The second envelope shall be labeled "Price Proposal" and shall include the Price Proposal form.

These envelopes shall be enclosed in a larger envelope that shall be sealed and addressed to the Department of Finance, City of San Luis Obispo, 990 Palm Street, San Luis Obispo, CA 93401. In order to guard against premature opening, the larger envelope should be clearly labeled with the proposal title, specification number, and name of the proposing firm.

**INFORMATION ABOUT THE PROPOSER**

Firm Name

---

Mailing

---

Address

City, State, ZIP

---

Phone Number

---

FAX Number

---

Business Type (proprietorship/partnership/corporation)

---

Years Operating under this Firm Name

---

Insurance Company's A.M. Best Rating

---

Authorized Representative

---

Title of Authorized Representative

---

Signature of Authorized Representative and Date

DRAFT

## REFERENCES

Number of years engaged in providing the services included within the scope of the specifications under the present business name:\_\_\_\_\_.

Describe fully the last three contracts performed by your firm that demonstrate your ability to provide the services included with the scope of the specifications. Attach additional pages if required. The City reserves the right to contact each of the references listed for additional information regarding your firm's qualifications.

### Reference No. 1:

Agency Name	
Contact Name	
Telephone & Email	
Street Address	
City, State, Zip Code	
Description of services provided including contract amount, when provided and project outcome	

### Reference No. 2:

Agency Name	
Contact Name	
Telephone & Email	
Street Address	
City, State, Zip Code	
Description of services provided including contract amount, when provided and project outcome	

**Reference No. 3**

Agency Name	
Contact Name	
Telephone & Email	
Street Address	
City, State, Zip Code	
Description of services provided including contract amount, when provided and project outcome	

**CURRENT CONTRACTS:**

- 1.
- 2.
- 3.
- 4.



## STATEMENT OF PAST CONTRACT DISQUALIFICATIONS

The proposer shall state whether it or any of its officers or employees who have a proprietary interest in it, has ever been disqualified, removed, or otherwise prevented from bidding on, or completing a federal, state, or local government project because of the violation of law, a safety regulation, or for any other reason, including but not limited to financial difficulties, project delays, or disputes regarding work or product quality, and if so to explain the circumstances.

- ***Do you have any disqualification as described in the above paragraph to declare?***

Yes ☐

No ☐

- ***If yes, explain the circumstances.***


Executed on \_\_\_\_\_ at \_\_\_\_\_ under penalty of perjury of the laws of the State of California, that the foregoing is true and correct.

\_\_\_\_\_  
Signature of Authorized Proposer Representative

## PRICE PROPOSAL

DRAFT