



City of San Antonio

Agenda Memorandum

File Number:21-1235

Agenda Item Number: 17.

Agenda Date: 2/11/2021

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Verónica R. Soto, FAICP, Director

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT: Professional Services Agreement for Real Estate Services

SUMMARY:

Consideration of an Ordinance authorizing the City Manager or his designee to execute a professional service agreement with HNX Enterprises, LLC to provide comparative market analysis services for the Owner Occupied Rehabilitation and Reconstruction program funded with HOME Investment Partnerships Program (HOME) federal funding. The term of the agreement is for four years, with one (1) one-year renewal option, in an amount not to exceed \$300,000 over the course of the contract term.

BACKGROUND INFORMATION:

As a recipient of U.S. Department of Housing and Urban Development (HUD) federal funding, the City funds Owner Occupied Rehabilitation and Reconstruction (OOR) Program activities, which are aimed at rehabilitating substandard single-family structures of low and moderate income homeowners throughout the City. The City is required to ensure the after-rehabilitation value of subject property assisted with these funds does not exceed 95% of the area median purchase price for single-family housing. The Neighborhood and Housing Services Department (NHSD) is proposing to utilize qualified real estate professionals who will conduct a Comparative Market Analysis on each subject property to include the proposed rehabilitation scope of work to be completed under the OOR Program. This analysis will help NHSD to meet program and federal regulation requirements for the OOR Program activities.

The Finance Department, Purchasing Division on behalf of NHSD, released a Request for Qualifications (RFQ) on October 23, 2020 to select a consultant to perform real estate professional services. The RFQ was advertised in the San Antonio Express-News, TVSA channel, the City's Bidding & Contracting Opportunities website, the San Antonio e-Procurement System (SAEPS) and an email notification was released to a list of potential

Respondents. Proposals were due on November 23, 2020. A total of two (2) firms responded and were deemed eligible for review.

Due diligence conducted for the respondents to the above solicitation included a search of federal and state debarment lists, prohibited political contributions, conflicts of interest, delinquent City/County taxes, outstanding payments to the City, payment of state franchise fees as well as a search of the internet for pertinent business information. No material findings were noted that would prevent the City from awarding to the selected vendor.

This contract is an exception to the Local Preference Program as it is federally funded. The Veteran-Owned Small Business Preference Program and the Section 3 Business Certification Program were applied in the evaluation of responses received for this contract; however, none of the applicants were a Veteran-Owned Small Business or certified as a Section 3 Business.

The Small Business Economic Development Advocacy (SBEDA) Ordinance requirements were waived due to the lack of small, minority, and/or women businesses available to provide these goods and services.

The Evaluation Committee, Neighborhood and Housing Services Department staff, reviewed and scored the proposals on December 15, 2020. The proposals were evaluated and scored on Experience, Background, and Qualifications (60 points); Proposed Plan (25 points); Section 3 Business Certification (10 points); and, Veteran-Owned Small Business Preference Program (5 points).

ISSUE:

Staff recommends entering into professional service agreement with HNX Enterprises, LLC. HNX Enterprises, LLC was selected by the evaluation committee from the two submitted proposals. HNX Enterprises, LLC has the necessary experience and qualifications to perform the services being requested. As part of the agreement, services to be performed may include, but are not limited to, the following:

- Conduct Comparative Market Analysis of subject property;
- Submit a completed After-Rehabilitation Value form; and
- Brief City staff and others on the research, analysis, findings, and recommendations.

ALTERNATIVES:

City Council could choose not to approve the ordinance and contractual agreement with HNX Enterprises, LLC. However, this could impede the City's ability to obtain accurate and reliable analysis for future housing rehabilitation projects.

FISCAL IMPACT:

This ordinance authorizes a contractual agreement with HNX Enterprises, LLC to provide real estate professional services for affordable housing rehabilitation projects within the City of San Antonio that are being funded with HOME federal funding. The term of the agreement is for four years with one (1) one-year renewal option, in an amount not to exceed \$300,000 over the course of the contract term.

All expenditures will be in accordance with the FY 2021 Action Plan and Budget, approved by City Council on August 13, 2020 through Ordinance 2020-08-13-0531. Funding for the subsequent years of the agreement is subject to City Council approval of each subsequent Annual Action Plan and Budget.

RECOMMENDATION:

Staff recommends approval of an ordinance to execute an agreement with HNX Enterprises, LLC to utilize their services as a Real Estate Services Consultant.

This agreement is procured by means of Request for Qualifications and the Contracts Disclosure Forms are attached.