



Addendum

Addendum No. 1

Issued: November 20, 2017

**Real Estate Brokerage Services
DCHE #2017-5**

All respondents shall acknowledge receipt of this addendum, sign below and return it with your proposal. **Failure to acknowledge receipt of this addendum may be cause for rejection of your proposal.** Respondents are informed that the above named solicitation is modified as follows:

- I. The District of Columbia Housing Authority submits its responses to all questions received related to the subject solicitation. Please reference "Attachment A".
- II. Closing is **REVISED** as follows:

**SECTION C- INSTRUCTIONS, CONDITIONS AND NOTICE TO RESPONDENTS
C.5 SUBMISSION DATE**

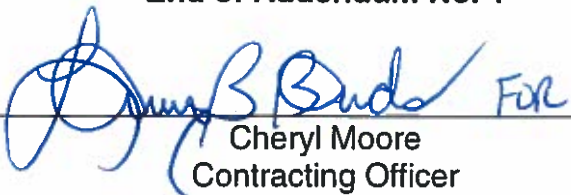
All proposals must be received by 11:00 a.m. Thursday, December 7, 2017.

SECTION F-TIMETABLE (SELECTION PROCESS)

F1. TIMETABLE

Submission of Proposals Thursday, December 7, 2017

**ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED
End of Addendum No. 1**


Cheryl Moore
Contracting Officer

Acknowledgement of Receipt:

Respondent: _____

Name: _____ Title: _____

ATTACHMENT "A"
Real Estate Brokerage Services
DCHE #2017-5

Inquiries/Questions and Responses

QUESTION 1: Will all houses for sale through this rfp be vacant?

DCHE RESPONSE: Yes.

QUESTION 2: How many houses do you average will be offered for sale per month and/or year?

DCHE RESPONSE: Approximately 10 over the course of 2018. All are currently undergoing substantial renovations.

QUESTION 3: Is there a separate company responsible for property preservation and maintenance?

DCHE RESPONSE: No, it is DCHE.

QUESTION 4: Will all utilities, e.g., gas, electric and water be available in the listed homes?

DCHE RESPONSE: Yes, when they are sell ready or when renovations are complete.

QUESTION 5: Is this a previously assigned rfp? if yes, what brokerage had the previous contract?

DCHE RESPONSE: A previous RFP was assigned for DCHA properties. The Brokers were as follows:

1. Menkiti
2. ReMax
3. Avanti

QUESTION 6: You mentioned what bid compilations are not acceptable, so how do you suggest we present our responses? are 3 hole binders acceptable?

DCHE RESPONSE: DCHA requests that Coil or Comb Binding not be used. Three Ring Binders are acceptable.

QUESTION 7: Page 2, Item A.2:

- a) Just to confirm, all of the properties under this RFP will be sold for fair market value, correct? Does that also mean will they be sold to the highest bidder?
- b) On the 26 properties, can the DCHE provide us a list of these with addresses and parcel numbers so that we may evaluate these as part of our proposal?

DCHE RESPONSE: Yes; Not necessarily. There are currently (10) ten houses in this particular program located in Washington, DC. The addresses are as follows:

1. 940 T. St., NW	2. 937 R St., NW	3. 1229 New Jersey Ave. A & B	4. 1310 Riggs St., NW	5. 1354 Irving St., NW
6. 38 New York Ave., NW	7. 1311 F. St., NE	8. 1304 Emerald St., NE	9. 1527 6 th St., NW A & B	10. 1446 Fairmont St., NW

QUESTION 8: Page 2, Item A.3:

- a) Our affiliated broker is located in, and licensed in, Washington DC as a real estate broker and auctioneer, however our firm is located out of state – is this acceptable?
- b) Our corporation is domiciled outside of the District of Columbia. Can we make application for our foreign corporation registration, resident agent and business licenses at the time of contract award, or must we do that prior to submittal of our proposal?

DCHE RESPONSE: See “Section A/A.3 Qualification of the solicitation.”

QUESTION 9: Page 3, Item B.2 et al:

- a) Will the DCHE seriously consider a brokerage proposal that will utilize the competitive bidding method of auction marketing, rather than solely a traditional list/sell brokerage approach and if not, specifically, why not? We have done auctions for several other housing authorities with outstanding results – at values well in excess of 3rd party independent market appraisals.
- b) If the answer to the question 1) above is “Yes,” will the DCHE sell each property to the highest bidder, since that is the true market value, and if not, specifically, why not?
- c) If the answer to the question 1) above is “yes,” will the DCHE allow the use of the “Buyer Premium,” which when added to the High Bid Price, achieves the Total Purchase Price. In this case, the DCHE receives 100% of the High Bid and the we receive the Buyer Premium as our compensation so the Buyer, rather than the DCHE, pays our commission. If this is not acceptable, specifically, why not?
- d) If the answer to the question 1) above yes “yes,” will the DCHE reimburse us for our out-of-pocket pre-budgeted and pre-approved marketing expenses (with no markup) to sell these properties? These are the only costs we are asking the DCHE to pay and they are far less expensive than a traditional real estate commission.

DCHE RESPONSE:

- a) No. See “Section B Scope of Services B.6 “ of the solicitation.
- b) N/A
- c) N/A
- d) N/A

QUESTION 10: Page 3, Items B.5 and B.10: When we open the houses for inspection, we normally do that on a specific date and time so that everyone who is interested in purchasing that home comes on that date and time to inspect the property, rather than having lockboxes on the properties which we feel is a less secure method of showing properties. Is this acceptable and if not, specifically, why not?

DCHE RESPONSE: No. In our experience multiple showings and open houses have provided the best results.

QUESTION 11: Page 3, Item B.6: In terms of the MLS, we normally market through MyStateMLS which will populate to Realtor.com, Trulia.com, Zillow.com and other real estate listing websites. Is this acceptable for this requirement?

DCHE RESPONSE: We want all properties marketed through MLS. However, you may use additional vehicles concurrently, but not as a substitutes.

QUESTION 12: Page 5, Item C.5.1:

- a) Shall our proposal be bound in 3-ring binders?
- b) It’s our understanding the Price Proposal shall be bound separately from the Technical Proposal – is that correct?
- c) Would the DCHE also want an electronic copy of our proposal on CD or flash drive?

DCHE RESPONSE:

- a) Three-ring binders are acceptable.
- b) Technical and Price proposals are to be submitted in two parts.
- c) No electronic proposal are accepted.

QUESTION 13: Page 5, Item C.5.3: With respect to Exhibit #1, the way our firm works, the *Buyer*, rather than the Seller (DCHE) pays our commissions. Therefore, if Exhibit #1 contemplates DCHE paying the commission, would we just put \$0 in those blanks? We pay any co-brokerage commissions out of the commission the Buyer pays (from the Buyer Premium as noted in our question above regarding Page 3, Item B.2).

DCHE RESPONSE: DCHE authorizes the commission and other appropriate expenses as a part of the closing process. If there is a Co-Brokerage arrangement DCHE will authorize the appropriate percentage per broker.

QUESTION 14: Page 7, Item C.6.8: With respect to Section 3, we are not a Section 3 firm, and since our work involves professional licensing (real estate licenses and auctioneer licenses), it is extremely difficult, if not impossible, to employ Section 3 residents for the work we do and still comply with real estate brokerage and auctioneering laws of the jurisdictions we work in. However, we are more than willing to work with DCHE to assist in the employment of those for items that do not require a real estate or auctioneer license, such as in providing security or producing signage. What happens most of the time is we make a contribution from the commissions we earn on these real estate sales to funding education and training programs for Section 3 residents. Are donations like these acceptable to meet the Section 3 requirements of this RFP?

DCHE RESPONSE: Yes; See attachment I “Section 3 Commitment” and attachment L of the solicitation package.

QUESTION 15: Page 7, Item C.6.9: Our DC-licensed affiliated real estate broker is an MBE firm. Will that provide us with additional points in the scoring of our proposal?

DCHE RESPONSE: Please see Section E “Bonus Points” of the solicitation package.

QUESTION 16: Page 9, Item C.7.3: Will DCHE reimburse us for our pre-budgeted and pre-approved out-of-pocket marketing and advertising costs to sell DCHE’s properties? These are the only costs we would ask the DCHE to pay for since our commissions are paid by the Buyer(s).

DCHE RESPONSE: Please see “Section C7 Price Proposals.”

QUESTION 17: Page 9, Item C.7.5: While our local affiliated real estate broker is located in DC, our corporate office is located outside of the DC Metro area. Will the DCHE reimburse us for our reasonable travel costs?

DCHE RESPONSE: If preapproved according to Section C.7.3.

QUESTION 18: Page 10, Item C.15: Does Federal Express normally deliver to your offices there?

DCHE RESPONSE: Yes.

QUESTION 19: Page 13, Item D.2:

- a) Our firm works solely on commission and reimbursable expenses. Is that acceptable?
- b) If it can be shown that a single or possibly two auction sales of the 26 properties would yield the most amount of return to the DCHE, will it consider awarding one contract to the selected term?
- c) Since our firm is paid by the Buyer based on the Buyer Premium (rather than DCHE), would that alleviate or modify the maximum award amount?

DCHE RESPONSE:

- a) Yes; See Section C.7 Price Proposals.
- b) No; See DCHE response to Question 9, B.6
- c) See DCHE response to Question #13.

QUESTION 20: Page 14, Item D.4: With respect to insurance coverages, we currently carry all of those coverages noted; however, in every other government agency we work with nationwide, the liability limits, especially in the General Liability, Excess Liability and Employment Practices Liability are approximately 50% of what the DCHE is asking for. Is there a particular reason why these limits are so high? Furthermore, will we have to provide a Certificate of Insurance with this proposal indicating these coverages or can we provide that upon award of contract?

DCHE RESPONSE: Based on the amount of potential liability regarding the Real Estate Services, the losses can amount to more than the policy limits of \$1million with one incident. The amount should actually be higher if you take into the account the value of the real estate. . The certificate should be presented as proof of insurance prior to awarding a contract to ensure the provider is in compliance with our requirements.

QUESTION 21: Page 19, Item D.10:

- a) We have reviewed the list of Section 3 business concerns that is published by DCHD. The only concerns we would be able to subcontract to are for signage and for security at open houses and/or auctions. There are none of those Section 3 businesses. In light of the fact that the real estate brokerage and auctioneering profession is heavily regulated and licenses required in order to conduct that work, what does the DCHE/DCHE recommend, specifically with respect to this contract, to meet their Section 3 goals? In the past, we have committed to contributing 3% of our commissions to Section 3 education and training programs, but the way we are reading the RFP, that is our “last resort.” We really would appreciate some direction here.
- b) With respect to interns, do these internships need to be paid internships?

DCHE RESPONSE: See attachment I “Section 3 Commitment” and attachment L of the solicitation package.

QUESTION 22: Page 22, Item D.13: The Employee Dishonesty Insurance is not on the list of coverages to be provided on Page 14, Item D.4 of this proposal. Please clarify.

DCHE RESPONSE: Page 22, Item D.13 is applicable.

QUESTION 23: Tax Certification Affidavit: We are not currently registered with a DC Finance & Registration Number. Can we obtain this upon award of contact?

DCHE RESPONSE: Yes.

QUESTION 24: General: Are there any incumbent real estate brokerage firm(s) under contract to the DCHE and/or DCHE to sell surplus real estate and if so, which contract(s) and which firm(s)?

DCHE RESPONSE: See DCHE response to Question 5.

QUESTION 25: Are properties residential only?

DCHE RESPONSE: Yes.

QUESTION 26: Who is responsible for restoring and maintaining the utility bills for each property, e.g., electric, natural gas and water?

DCHE RESPONSE: All utilities will be restored and maintained by DCHE during renovations. Buyer must transfer all accounts to buyer upon purchase.

QUESTION 27: What is the budget for staging? What percentage (%) of the home is expected to be staged? and Does the broker supply all staging furnishings and furniture? Are we liable for any damage that may occur as a result of moving furnishings or theft?

DCHE RESPONSE: Please note that this is a part of the respondents' proposals. See Section C7 Price Proposals.

Yes.

QUESTION 28: If property is occupied is there any responsibility for possible eviction?

DCHE RESPONSE: All are vacant properties.

QUESTION 29: Will all houses for sale be vacant?

DCHE RESPONSE: Yes.

QUESTION 30: What is the average sale's price for the homes?

DCHE RESPONSE: See address list provided in DCHE response Question # 7.

QUESTION 31: How many houses will be offered for sale per month/year?

DCHE RESPONSE: See DCHE response to Question #2.

QUESTION 32: Is there a separate company to provide property preservation and maintenance?

DCHE RESPONSE: See DCHE response to Question #3.

QUESTION 33: Will utilities be available in all the listed properties?

DCHE RESPONSE: See DCHE response to Question #25.

QUESTION 34: Is this a previously assigned rfp. if so, what company has the the contract?

DCHE RESPONSE: See DCHE response to Question #5.

QUESTION 35: We are an out of State Corporation. Can we file for foreign corporation status and our business license upon award of contract, or must we do that now prior to submitting our proposal?

DCHE RESPONSE: See DCHE response to Question #8.

QUESTION 36: On the 26 properties to be sold, can we get a list of these to review now as part of our proposal?

DCHE RESPONSE: See DCHE response to Question #7.