



May 19, 2020

Item No. 6

**RECOMMENDATION TO AWARD CONTRACTS FOR PRIVATE PROPERTY MANAGEMENT SERVICES AT VARIOUS CHA PROPERTIES**

Presenter(s): Eric Garrett, Chief Property Officer  
Leonard Langston, Deputy Chief Property Officer

**RECOMMENDATION**

The Chief Executive Officer recommends that the Board of Commissioners (Board) of the Chicago Housing Authority (CHA) approve the award of contracts to the below list of vendors in the aggregate amount of \$19,280,568 consisting of an original contract value of \$11,265,868 for a three-year base term from July 1, 2020 through June 30, 2023 for Packages 10 and 11 and from August 1, 2020 through July 31, 2023 for Packages 7 and 12, plus two (2) one year options in the amount of \$8,014,700 to provide Private Property Management Services. The Board delegates authority to the Chief Executive Officer to use her discretion to exercise the options. The Chief Executive Officer shall not exercise more than one option in any year.

The requested action in this item complies in all material respects with all applicable Federal, State and Local laws, and Chicago Housing Authority Board policies. Staff have completed all necessary due diligence to support the submission of this initiative.

Vendor	Property Package	3 Year Base Term Cost	1 Year Option Terms	Not-to-exceed Total
Manage Chicago, Inc.	7 (424 units)	\$575,088	1 <sup>st</sup> Option: \$191,696 2 <sup>nd</sup> Option: \$191,696	\$958,480
The Habitat Company	10 (4,247 units)	\$5,323,064	1st Option: \$1,860,909 2nd Option: \$1,938,808	\$9,122,781
The Habitat Company	11 (3,212 units)	\$3,702,862	1st Option: \$1,294,497 2nd Option: \$1,348,685	\$6,346,044
The Habitat Company	12 (1,825 units)	\$1,664,854	1st Option: \$582,023 2nd Option: \$606,386	\$2,853,263
	<b>Grand Total</b>	<b>\$11,265,868</b>	<b>\$8,014,700</b>	<b>\$19,280,568</b>

**FUNDING:**

Property Office Budget

**BACKGROUND**

In November 2019, a Request for Proposals (RFP) was released to solicit proposals from qualified private property management firms experienced in the management and operation of low-income, subsidized, affordable, and/or public housing properties to provide property management services to CHA’s residents. Respondents could apply for any of the twelve packages which were organized by property type. The scope of work expected of the selected respondent includes those services customarily associated with third-party multifamily housing management including, but not limited to, overseeing occupancy/leasing, marketing, resident selection, resident relations, regularly scheduled resident re-examinations, lease enforcement, rent collection, evictions, routine and emergency maintenance and repairs, management of the grounds and public spaces, budgeting, accounting, and following CHA guidelines regarding procurement, MBE/WBE/DBE, Section 3 and Davis Bacon requirements.

Eight (8) respondents submitted proposals and were reviewed by an evaluation committee of fifteen (15) members broken into three (3) teams of five (5) members each. Proposals were scored on a 100-point scale in the following areas: qualifications and experience, past performance, approach/work plan, organization structure/key personnel, M/W/DBE and Section 3 hiring, and the proposed management fee. Eight (8) of the twelve (12) packages did not have sufficient competition and were canceled. For the remaining four packages, after the evaluation committee completed its evaluation of the proposals, the Contracting Officer approved the competitive range for each package. Oral presentations were held for three (3) firms that were in the competitive range for Package 7 (Scattered Sites), Packages 10, 11 (Senior Housing) and Package 12 (Tax Credit Housing). Following Oral Presentations, Best and Final Offers were requested and received and negotiations held.

Based upon the evaluations of the written proposals, oral presentations, and best and final offers, it was determined that The Habitat Company, Inc. for Packages 10, 11, and 12 and Manage Chicago, Inc. for Package 7 will provide the best overall service and value to the CHA. A total of four contracts (one for each package) will be awarded for property management services and will include management fee compensation. Firms will be compensated based on the dollar amount generated by their percentage input on the fee form. In addition to that dollar amount, firms can collect additional management fee income by collecting rent at a rate higher than 98%. Using the percentage fees from their bid, firms will be compensated for all rent collected above 98%.

Respectfully Submitted:

---

Eric Garrett  
Chief Property Officer

---

James L. Bebley  
Chief Operating Officer

**RESOLUTION NO. 2020-CHA-**

**WHEREAS,** the Board of Commissioners of the Chicago Housing Authority has reviewed the Board letter dated May 19, 2020 entitled: RECOMMENDATION TO AWARD CONTRACTS FOR PRIVATE PROPERTY MANAGEMENT SERVICES AT VARIOUS CHA PROPERTIES

**THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY:**

**THAT,** the Board of Commissioners (Board) of the Chicago Housing Authority (CHA) authorizes the Chief Executive Officer or her designee to enter into professional service agreements with The Habitat Company, Inc. and Manage Chicago, Inc. for private property management services at CHA Properties and CHA owned units in mixed-income communities for a three (3) year base period with two (2) one-year option periods, for an amount not to exceed \$11,265,868 in property management fees for the base period and \$8,014,700 in property management fees for the option period.

The Board delegates authority to the Chief Executive Officer to use her discretion to exercise option terms. Each option term shall only be exercised individually and at the time of the expiration of the prior contract term.

This contract is subject to the Contractor's compliance with the CHA's MBE/WBE/DBE/ Section 3 hiring and insurance requirements.

---

Angela Hurlock  
Chairperson  
Chicago Housing Authority