

**REQUEST FOR QUOTE
FOR
Management of the Small Rental Program for the State of New Jersey
Department of Community Affairs (“DCA”)**

**Issued by the
State of New Jersey
Division of Purchase and Property**

RFQ#777056S

Date Issued: Friday, April 26, 2013

**Responses Due by 12:00 noon Eastern Time on:
Thursday May 9, 2013**

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**REQUEST FOR QUOTE
FOR
Management of Small Rental Program for the State of New Jersey
Department of Community Affairs (“DCA”)**

1.0 PURPOSE AND INTENT

This Request for Quote (“RFQ”) is issued by the State of New Jersey (“State”) Procurement Bureau, Division of Purchase and Property, Department of the Treasury on behalf of the Department of Community Affairs (“DCA”). The purpose of this RFQ is to solicit quotes from interested qualified GSA firms whose quote, conforming to this RFQ, is most advantageous to the State, price and other factors considered. The U.S. Department of Housing and Urban Development (“HUD”) allocated to New Jersey an initial \$1,829,520,000 in Community Development Block Grant Disaster Recovery (“CDBG-DR”) funds to be used to help recover from the Federally declared disaster that occurred as a result of Superstorm Sandy in 2012. The State has submitted an initial Action Plan for Disaster Recovery (the “Action Plan”) to HUD.

The State of NJ Standard Terms and Conditions will apply to all contracts or purchase agreements made with the State of New Jersey. These terms are in addition to the terms and conditions set forth in this RFQ and should be read in conjunction with them unless the RFQ specifically indicates otherwise. **Any terms in a quotation that conflict with material terms of the RFQ or the Standard Terms and Conditions will be null and void.**

The Community Development Block Grant (CDBG) Disaster Recovery regulations and the State’s Action Plan, as approved by Department of Housing and Urban Development (HUD) shall apply to all contracts or purchase agreements made with the State of New Jersey. The CDBG Disaster Recovery regulations can be found at:

http://portal.hud.gov/hudportal/documents/huddoc?id=CDBG-FR_Sandy_Notice.PDF

These terms are in addition to the terms and conditions set forth in this RFQ and should be read in conjunction with them unless the RFQ specifically indicates otherwise.

In its efforts to expedite time-sensitive recovery needs, the State of New Jersey is operating under a two-year timeline for the full draw of funds to eligible projects (by approximately May 1, 2015). The Bidder should be fully aware and ready to execute the Program based on the draft Policy (Exhibit 2) and Timeline included herein, and plan to be fully operational thirty (30) from Date of Award. Additionally, the Bidder must be fully willing to comply with all RFQ Scope of Services outlined in Section 3.0. Finally, all Bidders must ensure that all contractors that work on its behalf are licensed, bonded and insured pursuant to State and Federal law and HUD requirements.

As outlined in the Action Plan (<http://www.nj.gov/dca/>), the State intends to establish a program to create affordable rental housing units through the restoration of approximately 1,800 eligible, privately owned one (1) to twenty-five (25) unit Small Rental Properties damaged in Superstorm Sandy. This \$70,000,000 Program will award no-interest, forgivable loans of up to \$50,000 per unit to restore residential properties of Original Owners and New Owners damaged by the storm. In turn, successful Applicants to the Program will furnish affordable rental units to eligible low and moderate income households.

The Contractor awarded through this RFQ will perform the following activities for the approximately 1,800 eligible applicants:

- Select and prequalify Homebuilders for rehabilitation activities;
- Determine the Scope of Work necessary to restore eligible properties;
- Approve Small Rental loan for these properties;
- Oversee construction activities and schedules related to these properties;
- Process draws for Homebuilders based on construction progress; and
- Approve the income eligibility of prospective tenants for units restored through the Program and monitor for compliance with program policies during the loan period.

The State intends to select, through this RFQ, one (1) Contractor to manage the implementation and operation of the Small Rental Program. The selected Contractor, under the guidance and supervision of the State, will contribute to the final Program design and will be responsible for the subsequent implementation of the Program activities referenced above. Specifically, the Contractor will be charged with 1) working with the State to create a detailed set of administrative procedures from the draft Program Policies, 2) implementing the Small Rental Program components in accordance with the established administrative procedures, and 3) maintaining all necessary Program records (including a complete database that can be used to assess the Program's progress) and issuing periodic reports on the key Program indicators as set forth by the State.

The Small Rental Contractor will be responsible for pre-qualifying Homebuilders in concert with DCA and disbursing payments through a process approved by DCA.

The Contractor will not be responsible for identifying Applicants to the Program. A separate program, called the Superstorm Sandy Housing Incentive Program ("SSHIP"), will first perform all application and intake processes for the Program, determine eligible Applicants, and refer those Applicants to the Contractor. Once the Applicants have been referred, the Estimating and Compliance Monitor (ECM), a subcontractor to the Contractor, will then prepare an Estimate of the Cost of Repairs ("ECR"), and the Contractor will determine Duplication of Benefit ("DOB"), and make the award determination. The Contractor will then notify the SSHIP Contractor, who will issue a Notice of Award to the Applicant.

After an award is determined, the Contractor will then meet with the Property Owner to review the Scope of Work and have the Property Owner sign off on a work write-up. The Contractor will manage a process to improve efficiency of bidding by bidding a package of multiple small rental units or a single rental property with a larger number of units to 3 or more homebuilders. Those homebuilders will be selected to submit bids in accordance with a pre-determined process that ensures reasonable equality and fairness in the assignment of properties, and is approved by DCA. Although properties may be grouped together, separate price quotes are required for each property. Each property owner will have an individual contract with a homebuilder so it is not necessarily expected that one bidder will be awarded all of the units that are bid at the same time. The contract will be offered to the pre-qualified homebuilder who submitted the lowest bid for the property. If the lowest bidder does not have capacity to undertake the project, the contract will be offered to the pre-qualified homebuilder with the second lowest bid. The Contractor will present the lowest-priced winning bidder to the property owner for acknowledgement and closing. The Homeowner may either select that homebuilder and execute a contract with the homebuilder, or

request an appeal. If the DCA resolves the appeal in favor of the Homeowner, either the Contractor present the next-lowest priced Homebuilder to the Homeowner, or conduct a new bidding process. The SSHIP Contractor will be responsible for closing and escrow. The contractor will issue a Notice to Proceed to the Homebuilder. The Contractor will work with the Property Owner and Homebuilder in accordance with the property owner/Homebuilder contract and grant terms to ensure good quality work, and that the property is being built or repaired according to state and local codes, and other Program requirements, and that the Property Owner's project meets the Program's scheduling needs. The SSHIP Contractor is responsible for closing on the property. The Contractor will distribute funds which are drawn down from the State's CDBG-DR allocation and paid out in a timely fashion directly to the Homebuilders for work that has been verified to be complete according to the approved specifications. Property Owners will approve all draw requests for homebuilder's payment.

Upon final completion of the repairs, the Contractor will notify the SSHIP Contractor, who will then complete the closeout of the Applicant's grant. A flowchart of the process is attached as (Exhibit 1).

Regular coordination between the Contractor and the SSHIP Contractor is mandatory, as the SSHIP Contractor will provide the intake of all applications, make eligibility determinations, issue the Notice of Awards, set-up and maintain the Housing Program – Central Management Information System ("HP-CMIS") for all Housing Programs, conduct closings, and closeout of the Applicant from the Program.

Bidders should understand and take into consideration that the Program could be increased to serve additional damaged housing needs in the affected areas in the event that Congress approves additional allocations from the original appropriations of CDBG-DR funds. The State also reserves the right to decrease the scope and amount of work, but this shall not be deemed a termination.

A detailed description of the functional and implementation services scope for the project is provided in Section 3.0. A Quote may include multiple service providers, but must include only one Bidder.

NOTE: Participation in the homebuilder pool by any firm that is owned directly or through a subsidiary of the Small Rental Contractor or where the Small Rental Contractor or its principals have interests will be prohibited. As part of the technical proposal, the bidder must provide a statement certifying that there will be no conflict of interest.

1.1 SMALL RENTAL TIMELINE

The Contractor must be prepared to accept the first approved applicants within 30 days of Contract Award.

The Contractor must meet the following Timeline related to the policy and procedure development:

1. The Contractor will be responsible to deliver all policies and procedures, program forms, and develop intake processes.	Within 30 days from contract signature.
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The Contractor must meet the following Timeline related to the procurement of construction and design services:

1. The Contractor will begin the process to select Homebuilders through a Prequalification process which will include its outreach plan to the homebuilder community.	Submit prequalification draft “Request for Qualifications” and “Outreach Plan” to State Contract Manager no later than 10 days after the award of this contract.
2. Begin the process to secure designs and elevations to be offered for homes that will be reconstructed.	Within 10 days after the award of this contract.
3. Select and execute participation agreements with initial Homebuilders.	No later than 21 days after authorization from the State Contract Manager to proceed with the Prequalification plan as approved.
4. Make the final selection of designs to be used for reconstruction.	No later than 21 days after executing this contract.

The Contractor must meet the following milestones related to the advancement of Property Owners:

1. Complete the Scope of Work including assessment of the Estimated Cost to Repair, assessment of lead based paint hazards, and assessment for asbestos. Confirm the environmental review process status and timeline for completion.	Within 17 days after the referral of Applicants by the SSHIP.
2. Meet with the Applicant to review the Scope of Work.	Within 17 days after of the referral of Applicants by the SSHIP.
3. Complete the Duplication of Benefit Calculation, confirm completion of environmental and other required reviews, determine the Award Amount, and notify the SSHIP. Meet with the Applicant to review and finalize the Scope of Work and award amount,	Within 7 days after completing the Scope of Work.
4. The Contractor to send approved property owners scope of work to three or more homebuilders for quotes.	Within 10 days of issuing the quote.
5. Present winning bidder to the property	Within 7 days after completing the Scope of

owner, arrange escrow of other funds with the SSHIP Contractor, The Contractor will Issue Notice to Proceed to Homebuilder.	Work.
6. Obtain permits and begin construction.	Within 30 days after property owner award determination.
7. Complete the Scope of Work for Rehabilitation and/or New Construction, within the scheduled and approved time for completion.	<p>a) Rehabilitation- 90 days from the issuance of a Notice to Proceed to completion.</p> <p>b) New Construction- 120 days from the issuance of a Notice to Proceed to completion.</p>
8. Notify the SSHIP of the completion of the Scope of Work.	Within 7 days of completion.

The Timeline included herewith assumes that Environmental Reviews are completed and cleared, at a minimum for Tier 1 through the New Jersey Department of Environmental Protection, and that Homebuilders are prequalified and designs are selected prior to the processing of Property Owners by the Program.

1.2 BACKGROUND

On October 21, 2012, Governor Chris Christie signed Executive Order 104 declaring a State of Emergency in New Jersey related to the impact of Hurricane Sandy, which caused massive property damage and loss of life. On October 30, 2012, President Obama declared a major disaster for New Jersey, DR-4086, thereby qualifying New Jersey for Federal disaster assistance funds. The Governor’s Office assigned the DCA as the lead agency for the State’s housing response and recovery. As the Lead Agency, the DCA formulates and implements the State’s housing recovery plan. The DCA moves into the recovery phase of the storm, it seeks quotes from Contractors to provide management services in connection with the Housing Programs.

It is the State’s intent to ensure that all work performed pursuant to this RFQ is eligible for HUD grant funding and performed in accordance with HUD regulations, policies and guidance. Qualified firms shall possess all required Federal and State licensing.

Any State or Federal suspension, debarment, or disqualification action against a Contractor, key members of the contractor’s team and any subcontractor to be utilized by contractor will render them ineligible to participate in this program.

1.3 QUOTE SUBMISSION

Quotes are to be submitted through the GSA eBuy site pursuant to State law that authorizes the Director of DPP to “promulgate the Federal Supply Schedules of the Federal General Services Administration” RFQ process by **Thursday, May 9, 2013 noon 12:00 p.m. EST.**

Qualified GSA bidders may also submit quotes via email to Angela.Breland-Jackson@treas.state.n.us or via first class mail to:

Department of the Treasury
Division of Purchase and Property – 9th Floor
33 West State Street
Trenton, NJ 08625

Bidders are to include the RFQ # on the outside of each package sent in via first class mail.

Subsequent to response submission, all information submitted by Bidders in response to the solicitation is considered public information, except as may be exempted from public disclosure by the Open Public Records Act, N.J.S.A. 47:1A-1 et seq., and the common law. Because the State proposes to negotiate and/or pursue a Best and Final Offer, Quotes will not be made public until the contract award is approved by the Treasurer's office.

1.4 PROPRIETARY AND CONFIDENTIAL INFORMATION

Any proprietary and/or confidential information in your quotations will be redacted by the State. A bidder may designate specific information as not subject to disclosure pursuant to the exceptions to OPRA found at N.J.S.A. 47:1A-1.1, when the bidder has a good faith legal and/or factual basis for such assertion. The State reserves the right to make the determination as to what is proprietary or confidential, and will advise the bidder accordingly. The location in the proposal of any such designation shall be clearly stated in a cover letter. The state will not honor any attempt by a bidder to designate its entire proposal as proprietary, confidential and/or to claim copyright protection for its entire proposal. In the event of any challenge to the bidder's assertion of confidentiality with which the State does not concur, the bidder shall be solely responsible for defending its designation.

1.5 QUESTION AND ANSWER

The Procurement Bureau will accept questions electronically, pertaining to this RFQ, until **12:00 noon, Thursday, May 2, 2013**. Questions shall be directed via email to:

Angela Breland-Jackson
Angela.Breland-Jackson@treas.state.n.us

Questions regarding the State of New Jersey Standard Terms and Conditions, and the New Jersey Travel and Reimbursement Section of the RFQ, and specifically incorporated herein, and exceptions to mandatory requirements shall be posed during the Question and Answer period and should also contain suggested changes.

Quotes submitted with any material terms that conflict with the RFQ terms, the New Jersey Standard Terms and Conditions, which is specifically incorporated in this RFQ, and/or the Travel Regulations may be null and void.

Communications with other representatives of the State regarding this RFQ are prohibited during the submission and selection processes. Failure to comply with these communications restrictions will result in rejection of a firm's quote.

The State will not be responsible for any expenses in the preparation and/or presentation of the Quotes, oral interviews or for the disclosure of any information or material received in connection with this RFQ.

The State reserves the right to reject any and all Quotes received in response to this RFQ, or to waive minor errors in a quote, when determined to be in the State's best interest. The State further reserves the right to make such investigations as it deems necessary as to the qualifications of any and all firms submitting Quotes in response to this RFQ. In the event that all Quotes are rejected, the State reserves the right to re-solicit Quotes.

1.6 SMALL BUSINESS SUBCONTRACTING SET-ASIDE CONTRACTS

The Division strongly encourages the use of local subcontractors and has set a 25% goal for the use of subcontractors that are registered with the N.J. Division of Revenue as Small Business Enterprises (SBE). Contractors may search for registered SBEs at:
https://www6.state.nj.us/CEG_SAVI/jsp/vendorSearch.jsp

If the bidder intends to subcontract, it must submit a Subcontractor Utilization Plan, and the following actions to achieve the set-aside subcontracting goal requirements:

1. Attempt to locate eligible small businesses in Categories I, II, and III appropriate to the RFQ;
2. Request a listing of small businesses by Category from the New Jersey Division of Revenue, Small Business Enterprise Unit;
3. Record efforts to locate eligible businesses, including the names of businesses contacted and the means and results of such contacts;
4. Provide all potential subcontractors with detailed information regarding the specifications;
5. Attempt, whenever possible, to negotiate prices with potential subcontractors submitting higher than acceptable price quotes;
6. Obtain, in writing, the consent of any proposed subcontractor to use its name in response to the RFP; and
7. Maintain adequate records documenting efforts to achieve the set-aside subcontracting goals.

Quotes shall also contain a copy of the New Jersey of Revenue, Small Business Enterprise Unit's proof of registration as a small business for any business proposed as a subcontractor; and documentation of the bidder's good faith effort to meet the targets of the set-aside subcontracting requirement in sufficient detail to permit the Bid Review Unit of the Division to effectively assess the bidder's efforts to comply if the bidder has failed to attain the statutory goals.

If the bidder chooses to use subcontractors and fails to meet the small business subcontracting targets set forth above, the bidder must submit documentation demonstrating its good faith effort to meet the targets with its quote or within seven (7) business days upon request. Note a bidder's failure to satisfy the small business subcontracting targets or provide sufficient documentation of its good faith efforts to meet the targets with the quote or within seven (7) days upon request shall preclude award of a contract to the bidder.

If awarded the contract, the bidder shall notify each subcontractor listed in the Plan, in writing.

1.7 JOINT VENTURE

If a joint venture is submitting a proposal, the agreement between the parties relating to such joint venture should be submitted with the joint venture's proposal. Authorized signatories from each party comprising the joint venture must sign the proposal. A separate Ownership Disclosure Form, Disclosure of Investigations Action Involving Bidder, Disclosure of Investment Activities in Iran, Affirmative Action Employee Information Report and the Conflicts Certification described in Section 1.0 must be supplied for each party to a joint venture. NOTE: Each party comprising the joint venture must also possess a valid Business Registration Certificate ("BRC") issued by the Department of Treasury, Division of Revenue prior to the award of a contract.

2.0 DEFINITIONS/ACRONYMS

Capitalized terms used herein without definition shall have the respective meanings ascribed thereto in this Section.

Action Plan: State of N.J. submitted a proposed Action Plan, which is posted on the DCA website at the following link: www.nj.gov/dca/gov

Amendment: A change in the scope of work to be performed by the contractor. An amendment is not effective until it is signed by the Director, Division of Purchase and Property.

Applicant: A New Jersey resident that applies for the Housing Programs.

BAFO: Best and Final Offer.

Bidder: Denotes any contractor that submits a quote responding to the RFQ prior to award.

Case Worker: Individual employed by the SSHIP Contractor who is responsible for interface with the Applicant through all (3) Housing Programs.

CDBG: Community Development Block Grant program is a flexible program that provides communities with resources to address a wide range of unique community development needs.

CDBG-DR: Community Development Block Grant-Disaster Recovery.

Construction Managers: The group responsible under the Contractor for estimating, scope, and Homebuilder monitoring for individual Homeowner homes ("CM"). The CM group can be part of the Contractor firm or subcontractor(s).

Contract: This RFQ, any modification to this RFQ, and the bidder's proposal submitted in response to this RFQ, as accepted by the State.

Contractor: Denotes the Bidder that is awarded a contract as a result of this procurement and will have full responsibility and liability for the completion of all deliverables.

Core Services: Tasks provided in Subsection 3.1, and all of its subparts.

Data Warehouse: Storage/staging area for incoming data from various third-party sources.

Date of Award: The date the Director of the Division of Purchase and Property signs any awarded contract.

Days: The use of 'days' refers to calendar days.

DCA: Department of Community Affairs for the State of New Jersey.

DEP: New Jersey Department of Environmental Protection.

Director: Director, Division of Purchase and Property, Department of the Treasury. By statutory authority, the Director is the chief contracting officer for the State of New Jersey.

Division or DPP: The Division of Purchase and Property for the State of New Jersey.

DRGR: Disaster Recovery Grant Reporting.

ECD: Estimated Cost of Damage.

ECM: The Estimating and Compliance Monitor subcontractor to the Contractor.

ECR: Estimated Cost to Repair an Applicant's storm damaged home to the appropriate code standard and CDBG-DR requirement.

Evaluation Committee: A committee established by the Director to review and evaluate proposals submitted in response to this RFQ and to recommend a contract award to the Director.

FEMA: Federal Emergency Management Agency.

Final Appeal to State: When an Applicant is not satisfied with the decision of the Contractor's Appeals Team, such Applicant has the right to appeal the decision of said Appeals Team to the State's Department of Community Affairs.

FTE: Full Time Equivalent.

Green Building: The practice of creating structures and using processes that are environmentally responsible and resource-efficient throughout a building's life-cycle from siting to design, construction, operation, maintenance, renovation and deconstruction.

GSA: United States General Services Administration.

Homebuilder: Construction contractor prequalified by the Small Rental Contractor, but contracted with the Property Owner to perform the actual reconstruction, rehabilitation, elevation, or mitigation activities on individual properties.

Housing Database Manager: Individual or Entity that house Management Information System Records on behalf of Housing Programs.

HP-CMIS: Housing Program - Central Management Information System.

Housing Programs: Denotes the Housing Incentive, Reconstruction, Rehabilitation, Elevation, and Mitigation (RREM), and Small Rental Programs.

HUD: United State Department of Housing and Urban Development.

Joint Venture: A business undertaking by two or more entities to share risk and responsibility for a specific project.

New Owners: Property Owners that have purchased or obtained site control of a storm-damaged property with the intention of rehabilitating it.

Modification: Written clarification or revision to this RFQ issued by the Division of Purchase and Property.

Notice of Award: Letter indicating whether or not an Applicant has been deemed eligible for the Program, and the amount of said Applicant's Award.

Original Owners: Property Owners that owned damaged property at the time of Superstorm Sandy and have continued to own the property to date.

Performance Guarantee: An agreement for the contractor to perform all of the required obligations under the contract.

Program: Denotes the Small Rental Program.

Program Services: Denotes those services to be provided by the Contractor awarded a contract under this RFQ.

Qualified Homebuilder Participant Agreement: Contract between the Contractor and the Homebuilder executed as part of the prequalification process.

Retainage: A portion of the agreed upon contract price deliberately withheld until the work is substantially complete to assure that contractor will satisfy its obligations and complete a project.

RREM: Reconstruction, Rehabilitation, Elevation and Mitigation Program.

SBA: Small Business Administration.

Scope of Services: The tasks outlined in Section 3.0 of this RFQ, including all of its subparts.

Scope of Work: A detailed list and description of all actions necessary to restore a home and complete construction, including but not limited to, all rehabilitation or reconstruction, elevation, mitigation and/or remediation activities.

Small Rental Construction Contract: Contract between the Homeowner and the Homebuilder executed prior to the reconstruction, renovation, elevation or mitigation of the Homeowner's property.

State: State of New Jersey

State Contract Manager: The individual designated by the State to responsible for the approval of all deliverables, *i.e.*, tasks, sub-tasks or other work elements in the Scope of Services, as set forth in Sections 3.0.

Subcontractor: An entity having an arrangement with a State contractor, where by the State contractor uses the products and/or services of that entity to fulfill some of its obligations under its State contract, while retaining full responsibility for the performance of all of its [the contractor's] obligations under the contract, including payment to the subcontractor. The subcontractor has no legal relationship with the State, only with the contractor.

Transaction: The payment to the Contractor for services rendered or products provided to the State pursuant to the terms of the contract, including but not limited to the following: purchase orders, invoices, hourly rates, firm fixed price, commission payments, progress payments and contingency payments.

URA: Uniform Relocation Act.

Using Agency: The entity for which the Division has issued this RFP and will enter into a contract.

Throughout this RFQ the following terms shall be used to designate mandatory and non-mandatory requirements.

MAY, SHOULD, CAN, OPTIONALLY: Denotes desirable, non-mandatory language.

SHALL or MUST: Denotes that which is a mandatory requirement. Failure to meet a mandatory material requirement will result in the rejection of a quote as non-responsive.

3.0 RFQ SCOPE OF SERVICES

The Purpose of this RFQ is to obtain competitive Quotes from qualified GSA bidders to manage the Program described above in Section 1.0, and in the attached Policies. The Contractor awarded the Contract under this RFQ will be responsible for the Core Services described in Section 3.1. The Contractor shall consult regularly with DCA and follow all State, Federal and Program regulations and policies and will obtain direction from the State Contract Manager. The Contractor will be responsible for entering into appropriate arrangements with subcontractors and third party vendors necessary to complete the activities contemplated in this RFQ.

3.1 CORE SERVICES

The Contractor shall coordinate with the State Contract Manager to determine the final program design, administrative procedures, and will be responsible for the subsequent implementation of

the Program referenced in Section 1.0. Specifically, the Contractor will be charged with 1) operationalizing the Program Policies into a detailed set of administrative procedures and then 2) implementing the Program components (with the exception of application intake, Notice of Award, escrow, closing, and Applicant Closeout which will be performed by the SSHIP Contractor) in accordance with any established administrative procedures.

In the course of fulfilling this role, the Contractor must ensure that the Program is responsive to the needs of eligible Property Owners in the State and that assistance is provided in a manner that is fair, transparent, and expeditious. In recognition of the fact that CDBG-DR funds will be used to support the Program, the Contractor will also be responsible for ensuring that the Program components are administered in a way that is completely consistent and compliant with all applicable Federal and State statutes, regulations, and any other such guidance as may be issued by a Federal government or State governmental agency with jurisdiction.

The Contractor shall be responsible for performing, or causing to be performed, the tasks enumerated below. In each instance, the Contractor shall indicate whether it intends to perform the tasks itself or through a subcontractor. The Contractor must identify its subcontractors in this Quote. The State reserves the right to reject any proposed subcontractor determined to be procured improperly. The Contractor shall ultimately be responsible for any actions taken by any subcontractor they proposed and are supervising.

The Contractor shall regularly furnish Program information in real-time necessary for the State to evaluate Program performance. Program information includes, but is not limited to, the status of each Applicant, information on award determinations, repair estimates, environmental reviews, lead and asbestos testing, the prequalification of Homebuilders, construction progress, payments, projections for expenditures, and screening of prospective tenants.

The Contractor shall utilize the services of the SSHIP for intake of applications to the Program, verification of eligibility, and the transmission of information to DOB. The Contractor shall report all account activity information necessary for the SSHIP Contractor's Case Workers to timely and accurately advise Applicants.

The Small Rental Contractor shall be directly responsible for ensuring the accuracy, timeliness and completion of all tasks assigned under this Contract.

- 3.1.1 Start Up - Program Design, Management, and Budgeting
- 3.1.2 Prequalification of Homebuilders
- 3.1.3 Application Review and Processing
- 3.1.4 Construction Management
- 3.1.5 Tenant Income Verification and Lease-Up
- 3.1.6 Quality Assurance/Quality Monitoring
- 3.1.7 Appeals
- 3.1.8 Compliance and Monitoring
- 3.1.9 Issue Tracking and Fraud, Waste and Abuse Coordination
- 3.1.10 Document Management and Records Retention
- 3.1.11 Accounting and Reporting

3.1.1 Start Up - Program Design, Management, and Budgeting

Scope:

In coordination with the State, the Contractor shall be responsible for completing an operational plan, policies, procedures, and cash flow projections for the Program. The Contractor shall be responsible for all start-up operations, staffing, prequalifying the pool of homebuilders, and logistics to ensure the Program is operational by thirty (30) days from Date of Award. The Contractor's operational plan must include, but is not limited to, the methods contemplated to implement the Core Services contemplated in this RFQ.

Administrative Requirements:

The Contractor shall be responsible for monitoring its staff, its subcontractors and any State-provided assets. These activities include, but are not limited to:

- 1) Supervising internal and subcontractor employee activities;
- 2) Reviewing procedures to ensure that all procedures efficiently follow Small Rental policies and Federal regulations and requirements, updating procedures as necessary;
- 3) Conducting interviews with subcontractors regularly to determine whether the subcontractor is observing the various administrative-related requirements in their subcontract. Administrative-related requirements include the following, when applicable: flow-down clauses, incorporation of contract, Davis-Bacon, HUD's Section 3 Program, and Policies, Procedures, and Standards issued while implementing the Program;
- 4) Reviewing subcontractor's contract deliverables and policies and procedures regularly to determine whether they are in compliance with their contracts and CDBG requirements; and
- 5) Communicating potential risks, issues, and statuses to the State.

Operational Requirements:

The Contractor shall be responsible for, but not limited to, the following:

- 1) Completing a comprehensive set of written operational procedures explaining how, and by whom, all of the Program elements necessary to meet the Program's goal to restore the storm-damaged properties of eligible Property Owners will be accomplished for DCA review and approval. The proposed operational procedures must specifically address how the Contractor will ensure compliance with all Federal requirements attendant to CDBG including coordination with DEP to complete an environmental review compliant with 24 C.F.R Part 58, Historic Preservation requirements at 36 C.F.R. Part 800, Lead-Based Paint regulations at 24 C.F.R. Part 35, Asbestos abatement, and Davis-Bacon requirements. The proposed operational procedures must also outline how the Contractor will comply with required building standards as well as Green Building elements that must be employed in these projects.
- 2) Construction improvements must be compliant with the required building codes. Rehabilitation requires compliance with the New Jersey Title 5, Community Affairs Chapter 23; Uniform Construction Code Subchapter 6; Rehabilitation Subcode, N.J.A.C. 5:23-6; HUD Single Family Housing Rehabilitation Standards, local codes, and the guidelines specified in the HUD CPD Green Building Retrofit Checklist.

- 3) Establishing an operational plan setting forth the average amount of time necessary for each step as explained in this Scope of Services (an illustration of Program procedure from intake to closeout intake is contained in Exhibit 1) and outlining the sequence in which the Program elements will be undertaken, highlighting Program elements that are prerequisites of other Program elements as well as Program elements that can be undertaken simultaneously. NOTE: due to the need to complete this project expeditiously, the Contractor shall have a plan to execute multiple requirements of the Core Services simultaneously.
- 4) The Contractor must prepare the Qualified Homebuilder Participant Agreement and the Small Rental Construction Contract for review and approval by the State.
- 5) Coordinating regularly with the SSHIP Contractor and any relevant HP-CMIS maintained by the SSHIP to receive any necessary information regarding the Applicant.
- 6) Completing a project time-line projecting the amount of time needed to process and complete an average project from the time the application is received from the SSHIP Contractor.
- 7) Completing a Program time-line projecting major Program milestones including, but not limited to, “grants awarded,” “construction starts,” and “construction completions.” Each of these milestones shall be expressed in units and projects.
- 8) Completing a Program budget to be submitted to DCA for approval setting forth how much in Program funds will be expended each quarter for each of the major activities consistent with this Scope of Services.
- 9) Any developing other policies, policies, procedures, forms or undertaking any other tasks specified by DCA in order to successfully implement the RREP program.

WORKING WITHIN THE OVERALL TIMELINE PROVIDED in Section 1.1 BY THE STATE, THE BIDDER MUST INDICATE WHEN THIS PARTICULAR GROUP OF TASKS WILL BE COMPLETED AND ESTIMATE THE COST OF UNDERTAKING THESE TASKS.

3.1.2 Prequalification of Homebuilders

The Contractor shall be responsible for the following,

1. As part of the bid, Bidder will submit a projected process for review as to how the Contractor would go about prequalifying a pool of Homebuilders based on their qualifications and financial capacity to complete the volume of work anticipated. Homebuilders will be ranked and categorized by: the type of work they can complete, geographic location, the involvement of privately funded projects, capacity, and any other factors identified in the Contractor’s prequalification plan.
2. Within 10 days of Contract award, the Contractor will submit a detailed process to prequalify Homebuilders including a draft format of any request for qualifications, copies of the forms required to be filled out by Homebuilders, proposed outreach and notification process to ensure wide notification of eligible homebuilders, and a

description of any public advertising to attract a wide range of prequalified homebuilders. The process to pre-qualify homebuilders will be required to use a ranking system and to evaluate for overall financial and technical capacity which may limit the overall amount of work a particular firm could manage at one time. This ranking and evaluation mechanism will be submitted along with the prequalification plan to the State Contract Manager for approval. The plan must allow for an ongoing pre-qualification process to take in additional homebuilder applications as additional resources are needed. The process should allow for entry to the approved pool within seven (7) working days from the date of the homebuilder application submission. Upon State Contract Manager approval of prequalification plan, the Contractor will implement the outreach plan and prequalification process and secure the initial pool of homebuilder applicants. Homebuilders will be ranked based upon references, financial capacity, available databases regarding any past performance issues, and any other determination as outlined in the approved prequalification plan. Based on the Timeline, this process is expected to take 21 days from authorization by the State Contract Manager of the proposed plan.

3. Upon identification of the proposed initial pool of homebuilders based on the ranking criteria, the Contractor will provide a recommended list of homebuilders to DCA for final approval for entry to the pre-qualified pool. As additional homebuilders apply for pre-qualification, the Contractor will continue to rank and evaluate such homebuilders according to the approved process and recommend homebuilders to DCA, as appropriate, for entry to the pre-qualified pool. DCA will be responsible for final approval prior to entry to the pre-qualified pool.
4. The Contractor will execute a Qualified Homebuilder Participant Agreement and Code of Customer Service and Ethics with each homebuilder in the pre-qualified pool.
5. If a homebuilder is not selected to participate in the pool, they may submit an appeal through the Housing Programs Appeal process. The contractor will assist by compiling records for DCA to render a final decision to the homebuilder. The Contractor will present any grounds for reconsideration by DCA.

3.1.3 Application Review and Processing

Scope:

The Contractor shall be responsible for determining appropriate action needed for all Small Rental applications forwarded to the Contractor by the SSHIP.

The Bidder's quote must include staffing for three (3) Estimating and Monitoring Contractors who shall be responsible for verifying storm damage and determining the ECR. The Contractor shall file necessary documentation, conduct regular document management, quality control, reporting, program and federal compliance, and issue tracking.

Contractor's Operational Requirements:

The Contractor shall be responsible for, but not limited to, the following:

- 1) Verifying that the subject property did in fact sustain significant damage from Superstorm Sandy for those applications where the SSHIP Contractor cannot make a definitive determination.
- 2) Photographing units before repairs, during repairs, and at completion of the Project.
- 3) Coordinating the preparation of an Environmental Review worksheet with the Responsible Entity, the New Jersey Department of Environmental Protection and paperwork to DCA for approval, for each application determined to be preliminarily eligible based on SSHIP review and confirmation of damage due to Superstorm Sandy. [NOTE: The Program Requirements and Waivers for this initiative published by HUD on March 8, 2013 indicate that a streamlined Environmental Review ("ER") process may be acceptable for projects that can be covered by an earlier ER performed by another agency or which can be determined to be "exempt" or "categorically excluded."]
- 4) Following the State's URA Policy to ensure that no displacement, either permanent or temporary, takes place as a result of the assisted project.
- 5) Determining if the subject project is covered by any Section 503 and/or the Americans with Disabilities Act ("ADA") and ensure that these requirements are incorporated into the Scope of Work analysis.
- 6) Conducting lead paint and asbestos assessments and testing wherever required meeting local, state or Federal requirements and ensuring that costs and scope of any required remediation is incorporated into the Scope of Work. Ensure all assessments and tests are reviewed by DEP.
- 7) Determining if Davis Bacon requirements apply to the project and ensure that these requirements are incorporated into the Scope of Work analysis.
- 8) Establishing a Scope of Work and an ECR for all projects. The ECR will be based on unit pricing and include the basic costs necessary to repair or reconstruct the home. The ECR incorporates costs necessary for rehabilitation, reconstruction, elevation, mitigation, and/or any other service necessary to restore the Applicant's storm-damaged property to the appropriate code standard and CDBG-DR requirements.
- 9) Completing a final DOB analysis using the ECR in conjunction with other evidence of assistance received by the Applicant (e.g. Insurance, SBA, FEMA etc.) as provided by the SSHIP Contractor.
- 10) Determining the appropriate CDBG-DR grant amount using the estimated ECR, the Small Rental Program maximum award rules and the DOB calculation.
- 11) Ensuring that other sources of funds needed for repair such as owner equity are escrowed or otherwise firmly committed.
- 12) Completing any other tasks or making any other determinations required to successfully implement the Small Rental program, as may be specified in the policies developed by the Contractor, or required by DCA.

3.1.4 Construction Management

Scope:

The Quote must include staffing for Construction Managers who will ensure that all Core Services comply with the minimum property standards and all building codes outlined by the Contractor and the State at the time of award

Administrative Requirements:

The Contractor shall be responsible for, but not limited to, the following:

- 1) The Contractor will manage the process to assign homebuilders to each property and may limit the number of units awarded or overall volume of work awarded to a particular homebuilder based on criteria outlined in the pre-qualification plan and the Program Guidelines. Such criteria might include limitations such as inadequate bonding to accept additional work or demonstrated performance and time delivery issues by the homebuilder that indicate overcapacity.
- 2) The Contractor will manage a bidding process to secure a competitive, cost reasonable price for each eligible property. The Contractor will solicit multiple homebuilders to submit bids for groups of properties (each property will have its own scope) in accordance with a pre-determined process that has been approved by DCA.
- 3) Developing a means to ensure that construction work is proceeding as per the Scope of Work and the construction schedule.
- 4) Coordinating a pre-construction meeting with the property owner and Homebuilders.
- 5) Establishing a system by which funds can be drawn down from the State's CDBG-DR allocation and paid directly to the Homebuilders for work that has been verified to be complete according to the approved specifications. Homeowners will approve all draw requests for homebuilder's payment.
- 6) For individual projects, determining that (1) the Scope of Work has been completed, (2) the Program's construction standards and green building standards have been reached, (3) all of the attendant CDBG provisions have been complied with, and (4) final construction inspections have been conducted so that the final construction payment can be issued.

Operational Requirements

- 1) The Contractor will present the ECMs' scope of work and a finalized grant award to the property owner for their review and acceptance.
- 2) The bid of the homebuilder with the lowest bid on the property will be presented to the property owner.
- 3) The Property Owner may either select that Homebuilder and execute a contract with the Homebuilder, or request an appeal. In the event of an appeal, the Contractor will present the next-lowest priced Homebuilder to the Property owner, or conduct a new bidding process if applicable.

- 4) Upon acceptance of the homebuilder, a contract will be executed between the homebuilder and property owner. Upon the signing of the contract, the homebuilder will be permitted to start the project.

3.1.5 Tenant Income Verification and Lease-Up

Scope:

The Contractor shall be responsible for verifying the income level of prospective tenants and determining the eligibility of those tenants for the affordable rental units being provided through this Program in accordance with established State policies and procedures.

Operational Requirements:

The Contractor shall be responsible for, but not limited to, the following:

1. Developing a process for screening tenants for income eligibility and
2. Ensuring ongoing compliance with the income eligibility requirements.
3. Submitting these processes to the State Contract Manager for approval.
4. Qualifying tenants identified for the Program as “income eligible” or not.
5. Issuing notice to owners that they may proceed to enter into leases with approved tenants.
6. Issuing periodic notices to owners that they remain in compliance or issue orders for them to take corrective actions if they have fallen out of compliance.

3.1.6 Quality Assurance/Quality Control

Scope:

The Contractor shall perform routine quality checks using a State approved methodology of the operational areas and Applicant files including electronic records to ensure that quality assurance is met. Results must be reported to State management on a routine basis.

As a part of an on-going process, the Contractor shall also perform a comprehensive review of all Applicant files prior to the SSHIP file-closeout process. A standard checklist must be developed and followed to ensure consistency and accuracy. Hard-copy documents and electronic files will be reviewed against Small Rental Program Policies and Program Requirements to guarantee that all eligibility requirements have been met.

The Contractor shall retain Applicant files according to the State’s record retention requirements set forth in Section 3.1.10. This includes the physical and electronic records comprising the Applicant file. File documentation, document management, quality control, reporting, Program and Federal compliance, and issue tracking are also embedded requirements for this functional area.

Operational Requirements:

The Contractor shall be responsible for, but not limited to, the following:

- 1) Surveying and documenting internal operations to ensure that Small Rental policies and procedures are in place and being followed;
- 2) Ensuring that operational processes have adequate controls in place to comply with all applicable CDGB, Federal or state requirements;
- 3) Performing analytics to identify application files that potentially do not comply with CDGB, Federal or state requirements; and
- 4) Coordinating with the State to ensure that proper controls are set forth in the Program policies and procedures to prevent fraud, waste and abuse.

All issues must be reviewed for a final determination on an Applicant's file to be closed. A clean review will allow the Applicant file to be closed. A review with unresolved issues will put the Applicant file on hold until the issues can be resolved.

The final review shall include validation/verification, including, but not limited to the following areas:

- 1) Reviewing status of any open issues:
 - a. Attempting to resolve all issues before completing the final review.
 - b. Coordinating with the owner regarding each issue to resolve if possible.
- 2) Identifying outstanding issues that might impact the completion of the Grant Review (i.e., Appeals, Compliance, etc.).
- 3) Verifying the damaged site's address and structure type.
- 4) Reviewing the names on critical documents to see if they match the Applicant/co-Applicant names, and are signed, uploaded, and exist in the system of record. (i.e., Power of Attorney, Covenants, Subrogation Agreements, Affidavits, etc.) and review the verification efforts of documentation.
- 5) Researching files and providing documentation to DCA as required.

3.1.7 Appeals

Scope:

The appeals process will be conducted through the SSHIP, with DCA making the final determination of each appeal. The Contractor shall participate in this appeals review for any issue in its scope related to benefit determination. In any such appeals, the Contractor shall be responsible for investigating, reviewing and recommending a detailed response to each appeal. The Contractor shall cooperate fully with the Department to ensure the Department can make a timely decision for each appeal. The areas in the Contractor's scope are primarily related to (a) selection of Homebuilders into prequalified pool and (b) the process for identifying Homebuilders to a Property Owner's project.

3.1.8 Compliance and Monitoring

Scope:

To perform management, file review, reporting and document management for compliance with covenant and Program policies and procedures. File documentation, document management, quality control, reporting, Program and Federal compliance, and issue tracking are also embedded requirements for this functional area. To work with the DCA to respond to the State's monitoring requirements and otherwise from Federal or state agencies.

Operational Requirements:

The Contractor shall be responsible for, but not limited to, the following:

- 1) Monitoring a statistically significant number of Property Owners that received grants for compliance with the covenants and post-closing Program requirements.
- 2) Ensuring that procedures are in compliance with CDBG, state and Federal guidelines.
- 3) Identifying operational compliance issues associated with the compliance reviews of Program policies and procedures.
- 4) Reporting findings to the State regularly, and upon request.
- 5) Any other compliance or monitoring task required by the Program policies developed by the Contractor or DCA.

3.1.9 Issue Tracking and Fraud, Waste and Abuse Coordination

Scope:

The Contractor shall perform Fraud, Waste and Abuse management, file review, and reporting and document management as required for:

- Internal and external audits (Federal, State Agency and Legislative);
- Potential fraud investigations; and
- Responses to Freedom of Information Act requests, subpoenas, and prosecutorial support. File documentation, document management, quality control, reporting, Program and Federal compliance, and issue tracking are also embedded requirements for this functional area.

Operational Requirements:

The Contractor shall be responsible for, but not limited to, the following:

- 1) Identifying and reporting to DCA potential fraudulent activity:
 - a. Researching any potentially fraudulent application activity.
 - b. Coordinating and work with appropriate prosecutorial agencies to resolve.
 - c. Updating systems to prevent further processing until resolved.
- 2) Facilitating external audits:

- a. Providing support to external auditing companies, HUD, FEMA if applicable, and the State, as requested.
 - b. Responding to external audit findings.
- 3) Coordinating with prosecutorial agencies and document requests:
- a. Coordinating with appropriate agencies.
 - b. Responding to requests for documents, subpoenas, etc.
- 4) Reporting findings to the State.

3.1.10 Document Management and Records Retention

Scope:

To store and retrieve physical documents and electronic images of all paper documents, Applicant-related emails, correspondence, training material, and policy and procedures associated with the Program along with information leading up to policy and procedures decisions. Documents and images must be stored in a secure environment for quick retrieval. The documents and images must be stored and archived according to Program, State and Federal guidelines for record retention. File documentation, document management, quality control, reporting, Program and Federal compliance, and issue tracking are also embedded requirements for this functional area. The State, at its discretion, may elect to adopt a uniform document management and records retention policy to which the Contractor must be compliant.

Operational Requirements:

- 1) The Contractor may use their own information management system to manage documents and images, and to conduct work; however, the system must interface or be compatible with the State's MIS and the SSHIP HP-CMIS.
- 2) Develop and administer a records retention plan ("RRP"), which shall comply with all State policies and procedures, State and federal record retention policies, and State and federal laws and/or regulations. The RRP shall comply with all State records storage policies, which includes but is not limited to the short and long-term housing of physical documents and electronic images (*i.e.* paper documents, emails, correspondence, training material, and policy and procedures associated with the Program, etc.) Once a RRP has been developed and approved by the State, the Contractor shall retain all records in accordance with the RRP.
- 3) Adhere to State image system certification processes administered by the Record Management Service Branch of the Division of Revenue and Enterprise Services. The Contractor shall comply with the records retention and disposition requirements set forth by the State's Department of Treasury. These requirements can be found at the following website:

<http://www.nj.gov/treasury/revenue/rms/retentiondisposition.shtml>

The State Contract Manager will schedule a meeting with the Record Management Service Branch of the Division of Revenue and Enterprise Services within three business days after bid award and contract execution to enable the Contractor to prepare a plan that meet the requirements of this Section. The Contractor shall secure plan approval from the Record Management Service Branch of the Division of Revenue and Enterprise Services as set forth in Exhibit 3. Contractor shall submit the approved plan to the State Contract Manager and Director prior to the start of System development.

- 4) Establish a process to ensure that all requests made upon the Contractor for information that fall under OPRA are recorded and transmitted electronically to the State Contract Manager. OPRA requests will be processed by the State OPRA Custodian within DCA who will be responsible for disposing of same. The State may require the Contractor to establish an interface with the State OPRA system.

The State is required to comply with the New Jersey Open Public Records Act, P.L. 2001, CHAPTER 404, N.J.S.A. 47:1A-1 et seq. (“OPRA”) which may be found at: <http://www.state.nj.us/grc/laws/act/act.pdf> and the New Jersey Administrative Code Title 5, Chapter 105 N.J.A.C. 5:105 (2008) which may be found at: http://www.state.nj.us/grc/home/rules/pdf/Promulgated_Regulations.pdf.

- 5) Receive and process incoming Program related documents according to Program requirements.
 - a. Identify existing and new Applicant documents and images, classify them, and store them for easy retrieval.
 - b. Identify the location where the documents will be stored for current access and the location where the documents will be archived for long-term access.
 - c. Establish a retrieval method that includes search capability for all documents assigned to a specific Applicant; Search functionality must allow inquiries by Applicant name, co-Applicant name or application ID.
- 6) Send mail to Applicants as required.
- 7) Ensure documents are transferred for filing according to record retention policies.
- 8) Provide the status of an Applicant’s file to the SSHIP Contractor, who will relay this status to the Applicant at critical stages.
- 9) Implement process/system to be used to organize the documents for later retrieval, and implement controls for document filing and incoming mail and fraud prevention.
- 10) Store application files (physical and electronic) in a secure environment.
- 11) Make files (physical and electronic) readily available for public records requests. Public records requests must be integrated with the compliance and investigation process for any files under investigation.
- 12) Develop a disaster recovery plan to prevent destruction of the files from natural disasters, flood, fire, sabotage or theft.
- 13) Ensure that all necessary documents from Closing Firms are received, and are uploaded into HP-CMIS in a timely manner. Monitor for accuracy and completeness.

- 14) Research inquiries regarding missing documents or any pertinent information required.
- 15) Provide reports to management as requested.
- 16) Maintain an inventory of all documents and records.
- 17) Ensure documents are processed according to Program deadlines.
- 18) Provide documents for audit as requested. The Contractor shall make all of its work product and records available for a full range of oversight activities to State employees directly managing the Contract, to State and HUD monitors, to State and HUD auditors, and to any other entity, state or federal, having jurisdiction over the use of funds provided through this program.

3.1.11 Accounting and Reporting

Scope:

The Contractor will account for and reconcile all Federal funds requested and drawn from HUD for the Small Rental Program and awarded to grant recipients. File documentation, document management, quality control, reporting, Program and Federal compliance, and issue tracking are also embedded requirements for this functional area.

Operational Requirements:

The Contractor shall be responsible for, but not limited to, the following:

1. A reconciliation of Federal funds disbursed and funds recovered among multiple database systems and interfaces.
2. Preparation of all required production reports on an agreed to periodic basis.

3.2 ANTICIPATED LEVEL OF EFFORT

3.2.1 Anticipated Labor Categories

The following is a sample of Labor Categories that might be proposed. The sample is only given for Bidders to ascertain the approximate level of effort and to prepare the Cost Quote. Bidders may propose alternative labor categories and ratios, explaining the reasons for doing so:

- a. Program Chief Executive
- b. Program Manager
- c. Construction Manager
- d. Eligibility Manager
- e. Information Technology Manager
- f. Subcontracts Manager
- g. Budget and Financial Manager
- h. Communications Director
- i. Chief Legal Counsel
- j. Property Lien Director
- k. Facilities and Equipment Manager

- l. Architect
- m. Engineer
- n. Estimating and Compliance Monitor

3.3 REPORTING AND DOCUMENTATION

The Contractor shall provide and submit to the State all reports and documents as may be necessary to support the provisions of the State's HUD Action Plan in accordance with all relevant requirements, including but not limited to those imposed by HUD, FEMA and the State.

The Contractor shall retain all records, documents, and communications of any kind (including electronic in disk or print form) that relate in any manner to the award and performance of this Contract as set forth in section 3.1.8

The Contractor shall maintain all records related to products, transactions or services under this Contract for a period of five (5) years from the date of final close-out of the State Disaster Recovery Program. Such records shall be made available to DPP, DCA, the New Jersey Office of the State Comptroller, for audit and review, upon request pursuant to N.J.A.C. 17:44-2.2, or to other authorized parties for audit and review. Record retention beyond the five year period may be necessary and will be directed by the State.

The Contractor shall be responsible for providing protective storage of daily or disaster-related documents and reports during the disaster event and shall be available to the State upon request.

3.4 TRAVEL EXPENSES AND REIMBURSEMENTS

Travel Expenses and Reimbursements shall be made to the Bidder as follows:

The Contractor agrees to adhere to the General Services Administration ("GSA") published travel rules and rates to include disaster specific amendments in accordance with the Federal Travel Regulations. This Section is limited to a select management that will be negotiated prior to the execution of the Contract. For those predetermined individuals, reimbursable expenses shall be limited to the following:

- a) Coach class air fare purchased at the lowest reasonably available rate and baggage fees, to include consultant deployment and demobilization travel;
- b) Meals limited to the maximum current GSA per diem rate (receipts not required but will be supplied if HUD or other funding agencies require same)
- c) Lodging limited to the maximum current GSA per diem rate to include GSA- or HUD approved lodging waivers;
- d) Mileage for Contractor privately owned vehicles at the current New Jersey rate of 31 cents per mile.

All other travel costs will not be allowed. Travel expense and reimbursements will only be made up to the not to exceed limit submitted with the cost Quote. All other travel and reimbursements will be at the Contractor's expense.

3.5 DELIVERABLE MILESTONES AND PERFORMANCE GUARANTEES

Contractor is to refer to Exhibit 3 “Performance Metrics and Guarantees.”

Contractor must supply the State with weekly reports in a form and manner acceptable to the State Contract Manager to monitor and measure contract performance guarantees as per Exhibit 3.

4.1 TECHNICAL QUOTE

Quotes submitted in response to this RFQ shall respond to each of the following requests in the order indicated. It shall be clear and concise in response to the information and requirements described in the RFQ.

The Bidder shall describe its approach and plans for accomplishing the work outlined above in 3.0 RFQ Scope of Services. The Bidder must set forth its understanding of the requirements of this RFQ and its ability to successfully complete the contract.

The format and sections of the Technical Quote shall conform to the tabbed structure outlined below. All tabs shall be labeled appropriately. Adherence to this format is necessary in order to permit the effective evaluation of Quotes.

Responses to the requirements of this RFQ in the formats requested are desirable with all questions answered in as much detail as practicable. Quotes shall be prepared simply and economically, providing a straightforward, concise description of the Bidder’s ability to meet the requirements of the RFQ. Each Bidder is solely responsible for the accuracy and completeness of its Quote.

The Technical Quote shall be in the following format:

CONTENT CHECKLIST	
	Cover Page
	Quote Letter
	Table of Contents
TAB 1	Management Overview
TAB 2	Start-Up Team
TAB 3	Contract Management
TAB 4	Potential Challenges
TAB 5	Organizational Support and Experience
TAB 6	Resumes
TAB 7	Experience of Bidder on Contracts of Similar Size and Scope
TAB 8	Additional Experience of Bidder
TAB 9	Subcontractors
Attachment 1	Completed Reference Forms

4.1.1 Cover Page

The following information shall be included under the title “Solicitation for Management of Small Rental Program.”

- Name of the Bidder
- Firm address
- Firm telephone number
- Firm Federal tax identification number
- Name, title, address, telephone number, fax number, and email address of contact person authorized to contractually obligate the Bidder on behalf of the firm

4.1.2 Quote Letter

By signing the letter and/or Quote, the Bidder certifies that the signatory is authorized to bind the Bidder. The offer shall include:

- A brief statement of the firm’s understanding of the scope of the work to be performed;
- Confirmation that the firm has or will obtain the appropriate state business license(s);
- Confirmation that the firm has not had a record of substandard work within the past five years;
- Confirmation that the firm has not engaged in any unethical practices within the past five years;
- Confirmation that, if awarded the contract, the Bidder acknowledges its complete responsibility for the entire contract, including payment of any and all charges resulting from the contract;
- Any other information that the Bidder feels appropriate; and
- The signature of an individual who is authorized to make Quotes of this nature in the name of the firm submitting the offer.

4.1.3 Management Overview – Tab 1

The Bidder shall set forth its overall technical approach and plans to meet the requirements of the RFQ in a narrative format. This narrative shall demonstrate to the State that the Bidder understands the objectives that the contract is intended to meet, the nature of the required work and the level of effort necessary to successfully complete the Contract. This narrative shall demonstrate to the State that the Bidder’s general approach and plans to undertake and complete the contract, including staffing plans, are appropriate to the tasks and subtasks involved.

Provide a table listing each position in the Preliminary Program Organizational Chart, including the following information about each position:

- Title of position of full time equivalent (“FTE”);
- Employer of position (Bidder firm or name of subcontractor);
- Number of FTEs filling position that are estimated to be on the staff of the Bidder;
- Number of FTEs filling position, to be provided by an identified subcontractor;
- Number of FTE positions estimated to be located in New Jersey; and

- Number of FTE positions estimated to be located outside of New Jersey.

Also provide ramp-up and scale-down projections for the duration of the Program. The Bidder shall identify the number of Applicants assigned to each Construction Manager to work in coordination with their SSHIP Case Worker

Mere reiterations of RFQ tasks and subtasks are strongly discouraged, as they do not provide insight into the Bidder's ability to complete the contract. The Bidder's response to this section shall be designed to demonstrate to the State that the Bidder's detailed plans and proposed approach to complete the Core Services are realistic, attainable and appropriate and that the Bidder's quote will lead to successful contract completion.

4.1.4 Start-Up Team – Tab 2

Contractor shall provide a chart or table describing all current and proposed staff members of the Bidder and staff members of proposed subcontractor firms who would be assigned the Program following the award of the contract, their roles (in a word or a phrase), and the percentage of FTE work each staff member would commit for this engagement, and where the individuals will primarily be working, whether in New Jersey or another location. Include in this chart or table all contract management and human resources staff who will be dedicated to recruiting and hiring subcontractors and/or additional staff to be assigned to this work. Also include staff who will be dedicated to secure facility space from SSHIP or other locations, obtaining equipment, and implementing an information management system to conduct work. This system must interface or be compatible with the SSHIP HP-CMIS.

On the list described in the paragraph above, identify the members of your staff who would be assigned to act for your firm in key management and field positions providing the services required.

4.1.5 Contract Management – Tab 3

The Bidder shall describe its specific plans to manage, control and supervise the contract to ensure satisfactory contract completion. The plan shall include the Bidder's approach to communication with the State Contract Manager including, but not limited to, status meetings, status reports in its Quote.

The Contractor will provide DCA with an outline of the business processes and procedures to be put in place to operate the program including all core services set forth in Section 3.1. The outline will include appropriate narratives, a management plan, written procedures, and work flow management diagrams for each service to be provided under the Request for Quote.

The Quote shall provide a proposed Program Schedule.

4.1.6 Potential Challenges – Tab 4

The Bidder shall set forth a summary of any and all challenges that the Bidder anticipates during the term of the contract. For each challenge identified, the Bidder shall provide its proposed solution.

4.1.7 Organizational Support and Experience – Tab 5

The Bidder shall include information relating to its organization, personnel, and experience, including, but not limited to, references, together with contact names, telephone numbers, and email addresses evidencing the Bidder's qualifications and its ability to perform the services required by this RFQ.

The Bidder shall include a contract organization chart, with names showing management, supervisory and other key personnel (including subcontractor's management, supervisory or other key personnel) to be assigned to the contract. Bidder shall clearly indicate the specific staff members who shall be providing the direct services to the State. The chart shall include the labor category and title of each such individual.

4.1.8 Resumes – Tab 6

Detailed resumes shall be submitted for all management, supervisory and key personnel to be assigned to the Project. Resumes shall be structured to emphasize relevant qualifications and experience of these individuals in successfully completing contracts of a similar size and scope as this one. Resumes shall include the following:

- Clearly identify the individual's previous experience in completing similar contracts;
- List beginning and ending dates for each similar contract;
- A description of the contract shall be given and shall demonstrate how the individual's work on the completed contract relates to the individual's ability to contribute to successfully providing the services required by this RFQ; and
- With respect to each similar contract, the Bidder shall include the name and address of each reference together with a person to contact for a reference check (include telephone number and e-mail address).

Bidder shall affirm that no key team member, subcontractors or its key members are list on any State or Federal suspension, debarment, or disqualification list.

4.1.9 Experience on Contracts of Similar Size and Scope – Tab 7

The Bidder shall provide a comprehensive listing of contracts of similar size and scope that it has successfully completed, as evidence of the Bidder's ability to successfully complete the services required by this RFQ. Emphasis shall be placed on contracts that are similar in size and scope to the work required by this RFQ, including experience with state and local governments. A description of all such contracts shall be included and shall show how such contracts relate to the ability of the firm to complete the services required by this RFQ. For each such contract, the Bidder shall provide two names of individuals (include telephone numbers and e-mail addresses) for the other contract party. Beginning and ending dates shall also be given for each contract.

4.1.10 Additional Experience of Bidder – Tab 8

Bidder shall have significant proven experience and a history of successful professional engagements in disaster recovery, including housing policy and Program development.

Bidder shall have a thorough understanding of all other housing recovery Program requirements, including but not limited to other Federal and state agency requirements (when and if applicable under the Program component).

Bidder shall have a thorough understanding of, and experience in, quantitative data analysis and its application to policy and Program planning.

Bidder shall have thorough understanding of the environmental and historic issues and requirements relative to the housing recovery efforts as they impact Program selection and delivery.

Bidder shall have significant experience designing housing recovery efforts related to natural disasters, including but not limited to HUD and CDBG-DR requirements, budgeting, DOB, and technical evaluation of both short and long-term priorities.

Bidder shall have experience in planning, structuring, organizing and staffing housing recovery efforts in states in the aftermath of a catastrophic event. Bidder shall have a proven track record in assisting states in large-scale housing recovery efforts.

Bidder shall have experience in working with HUD in the aftermath of major catastrophic events.

Bidder shall have particular expertise in all CDBG-DR rules and regulations.

Bidder shall have significant experience with data management related to hurricanes, tropical storms, or similar natural disasters and experience applying data structures and data analysis to critical decision-making regarding housing recovery policy and Programming.

Bidder shall have experience in assessing and incorporating into its recovery planning process any mitigation efforts being undertaken in the aftermath of a statewide catastrophic event that has damaged or destroyed dwellings, businesses, critical infrastructure and key resources.

4.1.11 Subcontracts – Tab 9

The State shall have a single prime Contractor, and that prime Contractor shall be responsible for all deliverables specified in the RFQ and Quote. This general requirement notwithstanding, Bidders may enter into subcontractor arrangements, however, Bidders shall acknowledge in their Quotes total responsibility for the entire contract.

If the Bidder intends to subcontract for portions of the work, the Bidder shall identify any subcontractor relationships and include specific designations of the tasks to be performed by the subcontractor. Information required of the Bidder under the terms of this RFQ is

also required for each subcontractor. The prime Contractor shall be the single point of contact for all subcontract work.

Unless provided for in the contract with the State, the prime Contractor shall not contract with any other party for any of the services herein contracted without the express prior written approval of the State.

4.1.11.1 References – Attachment 1

For each subcontractor, the Bidder should submit (3) three references supporting the capabilities of the subcontractor(s) as they relate to this RFQ.

4.1.12 Disclosure

As part of the technical proposal, the bidder must disclose any involvement in the following and provide a statement certifying that there will be no conflict of interest:

1. Bidders shall disclose the nature of any current or past business relationship that they have with the contractor providing service on State Contract G-8034 Consulting: Disaster Recovery, G8037 Housing Strategy Advisor, or any other consultant providing consulting services on disaster recovery services.
2. Participation in the homebuilder pool by any firm that is owned directly or through a subsidiary of the Contractor or where the Contractor or its principals have interests will be prohibited.

4.2 KNOWLEDGE TRANSFER

Contractor's key staff resources must be ready to begin working in Trenton, New Jersey, within one (1) week after contract execution (barring personal emergencies, which will be addressed on a case by case basis). For purposes of this requirement, key staff resources are defined as the following:

- a. Program Chief Executive
- b. Program Manger
- c. Construction Manager
- d. Eligibility Manager
- e. Information Technology Manger
- f. Subcontracts Manager
- g. Budget and Financial Manager
- h. Communications Director
- i. Chief Legal Counsel
- j. Property Lien Director
- k. Facilities and Equipment Manager
- l. Architect
- m. Engineer
- n. Estimating and Compliance Monitor

Initially, these key resources will concentrate primarily on knowledge transfer activities that will be developed by the State. The activities will target specific knowledge transfer objectives, and will include documentation review, interviews, discussion, and shadowing. Bidders are invited to offer their own ideas for achieving effective knowledge transfer.

4.3 COST QUOTE

As part of its Quote the Bidder is to set forth how its GSA hourly rates will be applied to the various services requested within this RFQ. The Bidder may offer hourly rates more competitive than its GSA pricing but may not increase said rates. The Contractor shall also include an estimate of the total cost for each of the tasks as requested within this RFQ:

The Contractor shall not start work on any task until requested to do so by the State Contract Manager.

The Contractor shall include an estimate of total costs for each phase of the project in addition to an estimate of the total cost of the project.

4.3.1 COST QUOTE FORMAT

Each section of the Cost Quote shall be described in further detail. All project assumptions should be placed in the Technical Quote. The following sections of the RFQ explain the content that is required in each of the sections of the Cost Quote:

4.3.1.1 Cover Letter

The title page shall be placed as the front cover and/or insert and include:

- Title of the RFQ
- RFQ due date
- Bidder's Name
- The inscription: "Cost Quote."

4.3.1.2 Table of Contents

Each Quote shall be submitted with a table of contents that clearly identifies and denotes the location of each section and sub-section of the Quote. Each page of the response shall be clearly and uniquely numbered. Additionally, the table of contents shall clearly identify and denote the location of all enclosures and attachments to the Quote.

4.3.1.3 Tab 1 – Executive Summary

Bidder shall provide an overview of the Cost Quote, which describes any pricing approaches, discounts, and reasons why Bidder's combined technical and cost approach should be of value to the State.

4.3.1.4 Tab 2 – Administrative Requirements

The Bidder shall sign and submit one (1) original and two (2) copies of the Certification Statement and all information required by the Certification as part of the Quote submission. The Bidder shall take note of any Potential Legal and Regulatory Requirements to be sure that all legal and regulatory implications associated with the Quote are considered.

4.3.1.5 Tab 3 – Cost Schedules

This section shall include the Cost Quote Template from Exhibit 4.

Cost Quote is to be completed as follows:

- Bidder is to complete a separate Cost Quote for two (2) years.
- Bidder is to provide the hourly rate and number of hours for each staffing category (or GSA equivalent staffing category) listed on the price quote.
- Bidder is to provide a “not to exceed” travel cost in accordance with Section 3.4 of the RFQ. Further, bidder is to provide a detail budget of the overall travel cost proposed with its quote.
- Bidder is to provide a direct cost each task listed on the price quote. Further, bidder is to provide a detail budget of the overall direct cost proposed.

4.3.1.6 Other Direct Costs

ODCs may include: postage (includes US Mail, FedEx, UPS, and etc.) for purposes of mailings, notifications, etc.; personal computer workstations, laptop computers, computer peripherals (scanners, printers); security for on-site inspections on a pre-approved basis; advanced recording fees; cost of outreach and other public events; wire communication devices (cell phones, GPS, wireless cards, etc.) for purposes of remote communication for FTEs performing field based work; lease costs (according to the agreed-upon cost per square foot); notary service fees, and legal service fees related to Third Party Requests for Release of Information. Additional ODCs, if required, must be approved in advance of purchase by the SPM and the DCA Finance Manager.

Prior to the purchasing or leasing any ODCs, the Contractor shall provide a list of ODCs to the State Contracting Manager. The State Contracting Manager will review that list and will either (a) authorize the Contractor to purchase, obtain or lease the items or services and submit that expense for reimbursement (with proper documentation), or (b) deny the request.

Contractor must follow procurement rules as detailed in HUD Regulations 24 CFR Part 85 of the Federal regulations as may have been modified by HUD Notice for CDBG-DR issued in the Federal Register on March 5, 2013.

All of the equipment purchased by the Contractor under this program has to be returned to the State since it will be purchased with Federal funds. Examples would be computers, furniture and items such as cubicles etc. The Contractor shall work with the State to tag all property as required upfront and ensure proper disposition at contract termination.

5.0 CONTRACT TERM

Any Contract resulting from this RFQ will be for a duration of up to two (2) years, with the option of up to three (3) one year extensions, by the mutual written consent of the Contractor and the State on the same terms, conditions, and pricing at the rates in effect in the last year of the contract, or rates more favorable to the State.

5.1 SECURITY AND CONFIDENTIALITY

5.1.1 Data Confidentiality

All financial, statistical, personnel, customer and/or technical data supplied by the State to the Contractor are confidential. The Contractor must secure all data from manipulation, sabotage, theft or breach of confidentiality. The Contractor is prohibited from releasing any financial, statistical, personnel, customer and/or technical data supplied by the State that is deemed confidential. Any use, sale, or offering of this data in any form by the Contractor, or any individual or entity in the Contractor's charge or employ, will be considered a violation of this Contract and may result in Contract termination and the Contractor's suspension or debarment from State contracting. In addition, such conduct may be reported to the State Attorney General for possible criminal prosecution.

The Contractor shall assume total financial liability incurred by the Contractor associated with any breach of confidentiality.

When requested, the Contractor and all project staff including its subcontractor(s) must complete and sign confidentiality and non-disclosure agreements provided by the State. The Contractor may be required to view yearly security awareness and confidentiality training modules provided by the State. Where required, it shall be the Contractor's responsibility to ensure that any new staff sign the confidentiality agreement and complete the security awareness and confidentiality training modules within one month of the employees' start date.

The State reserves the right to obtain, or require the Contractor to obtain, criminal history background checks from the New Jersey State Police for all Contractor and project staff (to protect the State of New Jersey from losses resulting from contractor employee theft, fraud or dishonesty). If the State exercises this right, the results of the background check(s) must be made available to the State for consideration before the employee is assigned to work on the State's project. Prospective employees with positive criminal backgrounds for cyber-crimes will not be approved to work on State Projects. Refer to the National Institute of Standards and Technology (NIST) Special Publication (SP) 800-12, An Introduction to Computer Security: The NIST Handbook, Section 10.1.3, Filling the Position – Screening and Selecting.

5.1.2 Security Standards

Network Security: The Contractor shall maintain the Contractor's network security to include, but not be limited to: network firewall provisioning, intrusion detection and prevention, vulnerability assessments and regular independent third party penetration testing. The Contractor shall maintain network security that conforms to one of the following:

- Current standards set forth and maintained by the National Institute of Standards and Technology (NIST), including those at: <http://web.nvd.nist.gov/view/ncp/repository>
- Industry standards such as ISO 27002, PCI Data Security Standard and ISF Standard of Good Practice, align with security best practices from SANS and CI Security.
- The Contractor, at a minimum, shall run network vulnerability assessment scans. Vulnerabilities shall be remediated prior to network implementation.
- All systems shall be subject to vulnerability assessment scans on a regular basis.

Data Security: For any connectivity services proposed, the Contractor at a minimum shall protect and maintain the security of data traveling its network in accordance with generally accepted industry practices.

- Any Personally Identifiable Information must be protected. All data must be classified in accordance with the State's Asset Classification and Control policy, 08-04-NJOIT (www.nj.gov/it/ps). Additionally, data must be disposed of in accordance with the State's Information Disposal and Media Sanitation policy, 09-10-NJOIT (www.nj.gov/it/ps).
- Data usage, storage, and protection is subject to all applicable federal and state statutory and regulatory requirements, as amended from time to time, including, without limitation, those for Health Insurance Portability and Accountability Act of 1996 (HIPAA), Personally Identifiable Information (PII), Tax Information Security Guidelines for Federal, State, and Local Agencies (IRS Publication 1075), New Jersey State tax confidentiality statute, N.J.S.A. 54:50-8, New Jersey Identity Theft Prevention Act, N.J.S.A. 56:11-44 et seq., the federal Drivers' Privacy Protection Act of 1994, Pub.L.103-322, and the confidentiality requirements of N.J.S.A. 39:2-3.4. Contractor shall also conform to Payment Card Industry (PCI) Data Security Standard.

Data Re-Use: All State-provided data shall be used expressly and solely for the purposes enumerated in the Contract. Data shall not be distributed, repurposed or shared across other applications, environments, or business units of the Contractor. No State data of any kind shall be transmitted, exchanged or otherwise passed to other contractors or interested

parties except on a case-by-case basis as specifically agreed to in writing by the State Contract Manager.

Data Breach: Unauthorized Release Notification: The Contractor shall comply with all applicable State and Federal laws that require the notification of individuals in the event of unauthorized release of personally-identifiable information or other event requiring notification. In the event of a breach of any of the Contractor's security obligations or other event requiring notification under applicable law ("Notification Event"), the Contractor shall assume responsibility for informing the State Contract Manager and all such individuals in accordance with applicable law and to indemnify, hold harmless and defend the State of New Jersey, its officials, and employees from and against any claims, damages, or other harm related to such Notification Event.

End of Contract Data Handling: Upon termination of this Contract the Contractor shall erase, destroy, and render unreadable all Contractor copies of State data according to the standards enumerated in accordance with the State's Information Disposal and Media Sanitation policy, 09-10-NJOIT (www.nj.gov/it/ps) and certify in writing that these actions have been complete within thirty (30) days of the termination of this Contract or within seven (7) days of the request of an agent of the State whichever shall come first.

5.1.3 Federal Tax Information Security

The Contractor must comply with the tax information guidelines for federal, State, and local agencies found in IRS Publication 1075, as amended from time to time, including but not limited to the following:

TECHNOLOGY SERVICES

PERFORMANCE

In performance of this contract, the contractor shall comply with and assume responsibility for compliance by his or her employees with the following requirements:

1. All work will be done under the supervision of the contractor or the contractor's employees.
2. Any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of this contract. Disclosure to anyone other than an officer or employee of the contractor will be prohibited.
3. All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output will be given the same level of protection as required for the source material.

4. The contractor certifies that the data processed during the performance of this contract will be completely purged from all data storage components of his or her computer facility, and the contractor will retain no output at the time the work is completed. If immediate purging of all data storage components is not possible, the contractor certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.
5. Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data will be given to the agency or his or her designee. When this is not possible, the contractor will be responsible for the destruction of the spoilage or any intermediate hard copy printouts, and will provide the agency or his or her designee with a statement containing the date of destruction, description of material destroyed, and the method used.
6. All computer systems receiving, processing, storing, or transmitting federal tax information must meet the requirements defined in IRS Publication 1075. To meet functional and assurance requirements, the security features of the environment must provide for the managerial, operational, and technical controls. All security features must be available and activated to protect against unauthorized use of and access to federal tax information.
7. No work involving federal tax information furnished under this contract will be subcontracted without prior written approval of the IRS.
8. The contractor will maintain a list of employees authorized access. Such list will be provided to the agency and, upon request, to the IRS reviewing office.
9. The agency will have the right to void the contract if the contractor fails to provide the safeguards described above.

II. Criminal/Civil Sanctions:

1. Each officer or employee of any person to whom returns or return information is or may be disclosed will be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as 5 years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than \$1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRC sections 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.
2. Each officer or employee of any person to whom returns or return information is, or may be disclosed, shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the contract. Inspection by or disclosure to anyone without an official need to know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000 or imprisonment for as long as 1 year, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee [United States for federal employees] in an amount equal to the sum of the greater of \$1,000 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. These penalties are prescribed by IRC section 7213A and 7431.
3. Additionally, it is incumbent upon the contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations

established there under, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.

4. Granting a contractor access to FTI must be preceded by certifying that each individual understands the agency's security policy and procedures for safeguarding IRS information. Contractors must maintain their authorization to access FTI through annual recertification. The initial certification and recertification must be documented and placed in the agency's files for review. As part of the certification and at least annually afterwards, contractors should be advised of the provisions of IRC Sections 7431, 7213, and 7213A (see Exhibit 6, IRC Sec. 7431 Civil Damages for Unauthorized Disclosure of Returns and Return Information and Exhibit 5, IRC Sec. 7213 Unauthorized Disclosure of Information). The training provided before the initial certification and annually thereafter must also cover the incident response policy and procedure for reporting unauthorized disclosures and data breaches. (See Section 10) For both the initial certification and the annual certification, the contractor shall sign, either with ink or electronic signature, a confidentiality statement certifying their understanding of the security requirements.

III. Inspection:

The IRS and the Agency shall have the right to send its officers and employees into the offices and plants of the contractor for inspection of the facilities and operations provided for the performance of any work under this contract. On the basis of such inspection, specific measures may be required in cases where the contractor is found to be noncompliant with contract safeguards.

5.2 OWNERSHIP OF MATERIALS

All data, technical information, materials gathered, originated, developed, prepared, used or obtained in the performance of the contract, including, but not limited to, all reports, surveys, plans, charts, literature, brochures, mailings, recordings (video and/or audio), pictures, drawings, analyses, graphic representations, software computer programs and accompanying documentation and print-outs, notes and memoranda, written procedures and documents, regardless of the state of completion, which are prepared for or are a result of the services required under this contract shall be and remain the property of the State of New Jersey and shall be delivered to the State of New Jersey upon thirty (30) days notice by the State. With respect to software computer programs and/or source codes developed for the State, the work shall be considered "work for hire," i.e., the State, not the Contractor or subcontractor, shall have full and complete ownership of all software computer programs and/or source codes developed. To the extent that any of such materials may not, by operation of the law, be a work made for hire in accordance with the terms of this Contract, Contractor or subcontractor hereby assigns to the State all right, title and interest

in and to any such material, and the State shall have the right to obtain and hold in its own name and copyrights, registrations and any other proprietary rights that may be available.

Shall the Bidder anticipate bringing pre-existing intellectual property into the project, the intellectual property must be identified in the quotation. Otherwise, the language in the first paragraph of this section prevails. If the Bidder identifies such intellectual property ("Background IP") in its quotation, then the Background IP owned by the Bidder on the date of the contract, as well as any modifications or adaptations thereto, remain the property of the Bidder. Upon contract award, the Bidder or Contractor shall grant the State a non-exclusive, perpetual royalty free license to use any of the Bidder/Contractor's Background IP delivered to the State for the purposes contemplated by the contract.

The State has the right to run the system and it will remain operational for a period of three (3) years after the program is closed down and the State will be provided with 20 licenses to allow the State to operate the system.

5.3 ADDITIONAL WORK AND/OR SPECIAL PROJECTS

The Contractor shall not begin performing any additional work or special projects without first obtaining written approval from both the State Contract Manager and the DCA.

In the event of additional work and/or special projects, the Contractor must present a written Quote to perform the additional work to the State Contract Manager. The Quote shall provide justification for the necessity of the additional work. The relationship between the additional work and the base contract work must be clearly established by the Contractor in its Quote.

The Contractor's written Quote must provide a detailed description of the work to be performed broken down by task and subtask. The Quote shall also contain details on the level of effort, including hours, labor categories, etc., necessary to complete the additional work.

The written Quote must detail the cost necessary to complete the additional work in a manner consistent with the contract. The written price schedule must be based upon the hourly rates, unit costs or other cost elements submitted by the Contractor in the Contractor's original quote submitted in response to this RFQ. Whenever possible, the price schedule shall be a firm, fixed price to perform the required work. The firm fixed price shall specifically reference and be tied directly to costs submitted by the Contractor in its original quote. A payment schedule, tied to successful completion of tasks and subtasks, must be included.

Upon receipt and approval of the Contractor's written Quote, the State Contract Manager shall forward same to the DCA for written approval. Complete documentation from the Using Agency, confirming the need for the additional work, must be submitted. Documentation forwarded by the State Contract Manager to the DCA must include all other required State approvals, such as those that may be required from the State of New Jersey's Office of Management and Budget and NJOIT.

No additional work and/or special project may commence without the DCA's written approval. In the event the Contractor proceeds with additional work and/or special projects without the

DCA's written approval, it shall be at the Contractor's sole risk. The State shall be under no obligation to pay for work performed without the DCA's prior written approval.

5.4 INSURANCE - PROFESSIONAL LIABILITY INSURANCE

Contractor shall procure and maintain for the duration of the contract insurance against all claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, agents, representatives, employees or subcontractors. The costs of such insurance shall be included in the rates submitted in the Contractor's quote. The Contractor shall comply with Section 4.2 of the State of NJ Standard Terms and Conditions regarding insurance. In addition, Section 4.2 is modified with the addition of the following section regarding Professional Liability Insurance.

Professional Liability Insurance: The contractor shall carry Errors and Omissions, Professional Liability Insurance and/or Professional Liability Malpractice Insurance sufficient to protect the Contractor from any liability arising out the professional obligations performed pursuant to the requirements of the contract. The insurance shall be in the amount of not less than \$5,000,000 and in such policy forms as shall be approved by the State. If the Contractor has claims-made coverage and subsequently changes carriers during the term of the contract, it shall obtain from its new Errors and Omissions, Professional Liability Insurance and/or Professional Malpractice Insurance carrier an endorsement for retroactive coverage.

5.5 RETAINAGE

The using agency shall retain 10% percentage of each invoice submitted. Following certification by the State Contract Manager that all services have been satisfactorily performed, the balance of the retainage shall be released to the Contractor at the end of the contract expiration Retainage is not in lieu of any damages incurred because of the Contractor's negligence in performance of the contract.

The State reserves the right to partially release or not release any Retainage held if the performance guarantees are not met in accordance with Exhibit 3 – "Performance Guarantees."

5.6 AUDIT OF RECORDS

Contractor shall grant to the Office of the New Jersey State Auditor, State of New Jersey Office of the State Comptroller, the Federal Government, and any other duly authorized agencies of the Federal Government or the State where appropriate the right to inspect and review all books and records directly pertaining to the Contract resulting from this RFQ for a period of five (5) years after final grant close-out by HUD or as required by applicable State and Federal law. Records, including direct read access to supporting systems and data, shall be made available during normal working hours for this purpose.

In the event that the U.S. Department of Housing and Urban Development, the HUD Inspector General, or any other Federal agency, or the State, issues findings or rulings that the amounts charged by the Contractor, or any portions thereof, were ineligible or were non-allowable under Federal or state Law or regulation, Contractor may appeal any such finding or ruling. If such

appeal is unsuccessful, the Contractor shall agree that the amounts paid to the Contractor shall be adjusted accordingly, and that the Contractor shall, within 30 days thereafter, issue a remittance to the State of any payments declared to be ineligible or non-allowable.

Contractor shall comply with Federal and/or state laws authorizing an audit of Contractor's operation as a whole, or of specific Project activities.

5.7 RECORD RETENTION

Contractor agrees to retain all books, records, and other documents relevant to this contract and the funds expended hereunder as required by applicable Federal, State, HUD and CDBG regulations.

Note: The retention schedule for files associated with a HUD program is three (3) years after the State grant is closed by HUD. The federal citation is: 24 CFR 570.490(d).

5.8 RECORD OWNERSHIP

All records, reports, documents, or other material related to any Contract resulting from this RFQ and/or obtained or prepared by Contractor in connection with the performance of the services contracted for herein shall become the property of the State and shall, upon request, be returned by Contractor to the State, at Contractor's expense, at termination or expiration of this Contract. In addition to final ownership status of records, the Contractor will be required as requested by the State to provide records, reports, documents, or other material related to the Program.

5.9 SUBSTITUTION OF PERSONNEL

Proposed key personnel assigned to the project that results from this RFQ shall not be replaced without the written consent of the State. In the event that any State or Contractor personnel become unavailable due to resignation, illness or other factors, excluding assignment to projects outside this contract, outside of the State's or Contractor's reasonable control, as the case may be, the State or the Contractor, as the case may be, shall be responsible for providing an equally qualified replacement in time to avoid delays to the work plan.

5.10 CONFIDENTIALITY OF STATE DATA AND INFORMATION

All information relating to the State's operations which is designated confidential by the State and made available to the Contractor in order to carry out this Contract, or which becomes available to the Contractor in carrying out this contract, shall be protected by the Contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State. Contractor shall not be required to keep confidential any data or information which is or becomes publicly available, is already rightfully in the Contractor's possession, is independently developed by the Contractor outside the scope of this Contract, or is rightfully obtained from third parties.

5.11 WAIVER OF ADMINISTRATIVE INFORMALITIES

The State reserves the right, at its sole discretion, to waive administrative informalities and irregularities contained in any Quote if deemed in the best interest of the State to do so.

5.12 BIDDER RESPONSIBILITIES

The State requires a single Contractor as the result of any Contract negotiation, and that Contractor is responsible for all deliverables referenced in the RFQ and Quote as well as the acts and liabilities created by personnel or subcontractors providing products or services as part of the Contractor's Quote. The selected Contractor is required to assume responsibility for all products and services offered in the Quote, whether or not provided by the Contractor. The State shall consider the selected Contractor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the Contract.

Bidders must submit a plan with this Quote to the State regarding HUD's Section 3 Program. The plan must illustrate not only how the bidder intends to comply with Section 3, but also how its pool of Homebuilders will comply with Section 3.

This general requirement notwithstanding, Bidders may enter into subcontractor arrangements. Bidders may submit a Quote in response to this RFQ which involves subcontract(s) with others, whether product manufacturers or service providers, on the condition that the Bidder acknowledges total responsibility, as the Bidder, for the entire Contract.

The Bidder's Quote must include at least (3) different ECMs to determine and confirm the scope of the award, put out the packages for bid, and monitor for compliance and completion.]

5.13 BIDDER'S SUBCONTRACTORS

If a Bidder chooses to use subcontractors, the State urges the Bidder to use New Jersey subcontractors, including small and emerging businesses and/or small entrepreneurships, if practical.

If a Bidder intends to subcontract portions of the products or services, the Quote shall include specific designations of the tasks to be performed or deliverables to be produced by the subcontractor. The subcontractor shall be required to produce firm and staff qualifications to demonstrate their ability to provide the product or service; this shall be defined in other sections of the Quote. Copies of any agreements planned to be executed between the Bidder and subcontractor(s) shall be included in the Quote.

Except as provided for in the Contract with the State, the Bidder shall not subcontract with any other party for furnishing any of the work and professional services herein contracted for without the express written approval of the State.

5.14 ANOUNCEMENT AND PRESS RELEASES

The Contractor shall not refer to the Contract or the Contractor's relationship with the State hereunder in commercial advertising or press releases without prior approval from the DCA.

Under no circumstances shall advertising or other communications with the media be presented in such a manner as to state or imply that the Contractor or the Contractor's services are endorsed by the State.

5.15 CONTRACT NEGOTIATIONS

If for any reason the Bidder whose Quote is most advantageous to the State of New Jersey does not agree to a contract within 10 days of negotiation, that Quote may be rejected and the State may negotiate with the Bidder submitting the Quote deemed next most advantageous to the State.

5.16 CONTRACT AWARD AND EXECUTION

An award will be made to the Bidder with the highest points, and whose Quote, conforming to the RFQ, is the most advantageous to the State, price and other factors considered. The State intends to award to a single Contractor.

The RFQ, including any addenda, Bidder Quote, Bidder presentations, Bidder capability evaluations, written responses to inquiries, the Best and Final Offer (BAFO) and other documentation from the selected Bidder, which describes the solution, commitment, capabilities, and intent of the Bidder, shall become part of any Contract initiated by the State.

In no event shall a Bidder submit its own standard Contract terms and conditions as a response to this RFQ. The proposed terms will be negotiated before a final Contract is entered. The inclusion of mandatory clauses is not negotiable.

5.17 CDBG BONDING ASSISTANCE

CDBG funds may be used to provide support the bonding capacity of small contractors who would ordinarily not have the capacity to compete for construction contracts with certain bonding requirements. The Contractor shall take this into account when establishing a pool of Homebuilders. The Contractor will develop a program to assist small contractors in bonding requirements in connection with the Small Rental Program. 24 CFR 570.202(b) does not expressly provide for use of CDBG funds to provide bonding support to small contractors; however, the use of CDBG funds in this regard is clearly supported by 24 CFR 570.202(b) and HUD agency directives.

6.2 DIRECTOR'S RIGHT OF FINAL QUOTATION ACCEPTANCE

The Director reserves the right to reject any or all Quotations, or to award in whole or in part if deemed to be in the best interest of the State to do so. The Director shall have authority to award orders or contracts to the bidder or bidder's best meeting all specifications and conditions in accordance with N.J.S.A. 52:34-12. Tie Quotations will be awarded by the Director in accordance with N.J.A.C.17:12-2.10.

6.3 FACILITY REQUIREMENTS

Facilities and office space used by the Contractor for meetings and interactions with Applicants will be provided by the SSHIP Contractor. The Small Rental Contractor is responsible for providing adequate desks/cubicles, office chairs, office supplies, document destruction services, internet service, and data circuits for all staff at the location. Facilities and office space used by the Contractor or subcontractor(s) to conduct business will not be provided by SSHIP.

All devices and software will either be furnished by the Contractor, as an Other Direct Costs (“ODC”) in compliance with all DCA standards and policies. This applies to personal computer workstations, laptop computers, network equipment, printers, copiers, multi-function devices, fax machines, and telephones.

7.0 FORM OF COMPENSATION AND PAYMENT

Payments to the Contractor will be disbursed following approval by the State Contract Manager. The State reserves the right to negotiate with the Bidder, the final fee for services provided under each task order. A mutually agreed-upon schedule of payments by task order will be used as the basis for all payments.

8.0 SELECTION PROCESS

All Quotes will be reviewed to determine responsiveness. Non-responsive Quotes will be rejected without evaluation. The following evaluation criteria categories, separate or combined in some manner, and not necessarily listed in order of significance, will be used to evaluate Quotes received in response to this RFQ:

- Experience in successfully completing contracts of a similar size and scope to the work required by this RFQ; The qualifications and experience of the Bidder’s management, supervisory or key personnel assigned to the contract, including the candidates recommended for each of the positions/roles required;
- Evaluation will be on submitted resumes and how well they meet the required skill and education levels as well as on documented experience in successfully completing work on contracts of similar size and scope to the work required by this RFQ; and
- The overall ability of the Bidder to undertake and successfully complete the contract in a cost efficient yet timely manner. This judgment will include, but not be limited to, the following factors: the number and qualifications of management, supervisory and other staff proposed by the Bidder to complete the contract, the availability and commitment to the contract of the Bidder’s management, supervisory and other staff proposed and the Bidder’s contract management plan, including the Bidder’s contract organizational chart; and the Bidder’s cost Quote.

8.1 EVALUATION PROCESS OVERVIEW

The State shall conduct a comprehensive, fair, and impartial evaluation of all Quotes received. The State may reject any Quote that is incomplete or in which there are significant inconsistencies or inaccuracies.

The State will establish an evaluation team to review, evaluate, and verify information submitted by the Bidder. This section describes the evaluation methodology and criteria to be used to

evaluate each Quote submitted. It is the State's intent to select the Quote that is most advantageous to the State now and in the future.

The State reserves the right to seek clarification from Bidders where deemed appropriate to understand the intent of certain points in one or more Quotes. Any such clarification request and response will be provided in writing and maintained as part of the documentation for the respective Quote. Bidders must respond to requests for clarification within two (2) working days of request. Failure to do so may affect the Bidder's score or result in rejection of their Quote.

8.1.1 TECHNICAL EVALUATION CRITERIA

The Bidders will receive a Technical Proposal Score based upon the evaluation and scoring of the following criteria:

- a. Personnel: The qualifications and experience of the bidder's management overview to include but not limited to: Contract Management plan to meet scheduled milestones, supervisory and key personnel assigned to the contract, including the candidates recommended for each of the positions/roles required.
- b. Experience of firm: The bidder's documented experience in successfully completing contracts of a similar size and scope specifically related to HUD Disaster Recovery and strength of other related programs.
- c. Ability of firm to complete the Scope of Work based on its Technical Quote: The overall ability of the bidder to undertake and successfully complete the technical requirements of the contract in a timely manner as outlined in Sections 3.0 through 3.1.11.
- d. Subcontractors: Subcontractor experience with the core services and how they relate to three references submitted.

All Bidders who receive a Technical Score within a stated technical competitive range may be asked to submit a Best and Final Offer pursuant to Section 8.5. However, Bidders are advised to submit their best technical and price quotes in response to this RFQ, because the State may, after evaluation, make a contract award based on the content of the initial submissions, without further negotiation with any bidder.

8.1.2 BIDDER'S PRICE SCHEDULE RANKING

For evaluation purposes, Bidders will be ranked according to the total bid price located on the Price Sheet accompanying this RFP and according to the formula:

Cost Proposal Score = predetermined points x (lowest cost proposal/evaluating cost proposal)

The proposal with the highest score will be ranked the highest.

The cost proposal ranked will be the lowest acceptable cost proposal between the original cost proposal and the Best and Final Offer proposal submitted by each Bidder.

8.1.3 TOTAL PROPOSAL SCORE

Each evaluated proposal will receive a Total Proposal Score bases on the following formula:

Technical Proposal Score + Cost Proposal Score = Total Proposal Score. The Technical Proposal Score will be the average of the combined Technical Proposal Score (sum of each voting member technical evaluation score divided by the number of voting members). All score sheets resulting in a score of 700 and higher will be considered in the technical competitive range.

The responsible Bidder receiving the highest Total Proposal Score will be recommended for contract award. In the event of a tie, the proposal with the highest technical score amongst the tied proposals will be recommended for contract award.

8.2 EVALUATION TEAM

The evaluation of Quotes will be accomplished by an evaluation team, to be designated by the State, which will determine the Quote most advantageous to the State now and in the future, taking into consideration price and the other evaluation factors set forth in the RFQ.

8.3 ORAL INTERVIEW

The State may request an oral interview at its sole discretion for clarification from all Bidders deemed suitable for receiving an award. No additional points will be given for an oral interview. The State reserves the right to award the contract on the basis of the original offers.

8.4 AWARD SELECTION

Only one contract will be awarded for this project. The Bidder with the highest Total Proposal Score will be recommended to the State for selection.

8.5 NEGOTIATION AND BEST AND FINAL OFFER (BAFO)

Negotiations will only be conducted in those circumstances where they are deemed by the State to be in the State's best interests and to maximize the State's ability to get the best value. Therefore, Bidders are advised to submit their best technical and price quotes in response to this RFQ, because the State may, after evaluation, make a contract award based on the content of these initial submissions, without further negotiation with any Bidder.

All contacts, records of initial evaluations, any correspondence with Bidders related to any request for clarification, negotiation or BAFO, any revised technical and/or price Quotes, and the Award Recommendation will remain confidential until a Notice of Intent to Award a contract is issued.

8.6 STATE CONTRACT MANAGER

The State Contract Manager is the State employee responsible for the overall management and administration of the Contract.

The State Contract Manager for this project will be identified at the time of execution of contract. At that time, the Contractor will be provided with the State Contract Manager's name, department, division, agency, address, telephone number, fax phone number, and e-mail address.

8.6.1 STATE CONTRACT MANAGER RESPONSIBILITIES

The State Contract Manager is the person that the Contractor will contact **after the Contract is executed** for answers to any questions and concerns about any aspect of the Contract. The State Contract Manager is responsible for coordinating the use of the Contract and resolving minor disputes between the Contractor and the State. The State Contract Manager shall be the central coordinator of the use of the Contract for the State. All persons and agencies that use the Contract must notify and coordinate the use of the contract with the State Contract Manager.

8.6.2 COORDINATION WITH THE STATE CONTRACT MANAGER

Any contract user that is unable to resolve disputes with a Contractor shall refer those disputes to the State Contract Manager for resolution. Any questions related to performance of the work of the contract by contract users shall be directed to the State Contract Manager. The Contractor shall contact the State Contract Manager or his/her designee if the Contractor cannot resolve a dispute with contract users.

9.0 CONFLICT OF INTEREST CLAUSE

Firms are prohibited from acting as a contractor for both the auditing and integrity monitoring requirements for the same project.

10.0 PROGRAM EFFICIENCY ASSESSMENT

The State Using Agencies shall be charged an assessment equal to one-quarter of one percent (0.25%) of the value of all transactions under this contract. This assessment is authorized by N.J.S.A 52:27B-56 and N.J.A.C. 17:12-1.5, to maintain the State's procurement system at a level to meet industry standards of efficiency.

11.0 ADDITIONAL REQUIREMENTS

The documents listed below **must** be completed and submitted with the Bidder's quotation. They may be downloaded from the Division of Purchase and Property's website, which is located at <http://www.state.nj.us/treasury/purchase/forms.shtml>

- Ownership Disclosure Form

<http://www.state.nj.us/treasury/purchase/forms/StandardRFPForms.pdf>

- Disclosure of Investigations and Other Actions Involving Bidder Form
<http://www.state.nj.us/treasury/purchase/forms/StandardRFPForms.pdf>
- Disclosure of Investment Activities in Iran
<http://www.state.nj.us/treasury/purchase/forms/StandardRFPForms.pdf>
- Certification of MacBride Principles and Northern Ireland Act of 1989
<http://www.state.nj.us/treasury/purchase/forms/MacBride.pdf>
- Subcontractor Utilization Form
<http://www.state.nj.us/treasury/purchase/forms/SubContractingForms.pdf>
- New Jersey's Standard Terms and Conditions (must sign last page of the document)
<http://www.state.nj.us/treasury/purchase/forms/pbst.pdf>
- Source Disclosure Certification Form
<http://www.state.nj.us/treasury/purchase/forms/sdcertificationform.pdf>

The documents listed below **should** be completed and submitted with the Bidder's quotation.

- Two-Year Chapter 51/EO 117 Vendor Certification and Disclosure of Political Contributions
http://www.state.nj.us/treasury/purchase/forms/eo134/c51_eo117_cd_02_10_09.pdf
- Affirmative Action Employee Information Report or, in the alternative, supply either a New Jersey Affirmative Action Certificate or appropriate evidence that the bidder is operating under an existing federally approved or sanctioned affirmative action program (Letter of Federal Approval Program). http://www.state.nj.us/treasury/purchase/forms/AA_%20Supplement.pdf

NOTE: A copy of a valid New Jersey Business Registration must be submitted prior to contract award. If not already registered with the New Jersey Division of Revenue, registration can be completed online at the Division of Revenue website: <http://www.state.nj.us/treasury/revenue/>

<http://www.nj.gov/treasury/revenue/gettingregistered.shtml>

To obtain a copy of your New Jersey Business Registration you may do so by using the following website: https://www1.state.nj.us/TYTR_BRC/jsp/BRCLoginJsp.jsp

A valid Insurance Certificate must be submitted prior to contract award.