ADDENDUM 1

FOR

RFQ # AE27-001 CAPITAL NEEDS ASSESSMENT AND ASSET REPOSITIONING STRATEGY

TOWN OF CHAPEL HILL, NORTH CAROLINA

RFQ: A/E27-001

TO: All Prospective Companies

FROM: Lenore Bishop, Purchasing & Contracts Manager

SUBJECT: Addendum # 1

DATE: October 22, 2026

This Addendum is being issued to provide additional information and answer the questions received from prospective Companies regarding the above-referenced Request for Qualifications. All other terms and conditions remain unchanged.

Modifications:

1. This addendum modifies **Scope of Services Section B., 2, a.** by adding that firms may evaluate and present feasible redevelopment, repositioning, relocation, or other development strategies that extend beyond the current properties' boundaries where these alternatives may support Town objectives.

2. This addendum revises **Form C – Certification Regarding Lobbying**. Respondents are to include updated **Form C-1** (found on page 7 of this Addendum) with their proposal submissions.

3. This addendum modifies **Scope of Services Section B., 2, d.** by adding that an environmental site assessment ("ESA") may be performed as a discretionary service to further evaluate environmental conditions and identify any recommended testing, abatement, or other due diligence activities. Results of the ESA may be incorporated into the financial analysis, as appropriate.

   The Rainbow Heights and Oakwood communities have been cleared of lead-based paint and asbestos. Environmental testing and assessment reports currently available may be provided to the selected firm upon request

Questions:
Listed below are the questions received and our responses:

1. **Can the Town provide a current unit roster showing each unit's community, bedroom size, and occupancy status, including the number of vacant units?**

   A. See **Attachment C – Unit Status** posted on the Town's project website.

2. **Does the Town have prior capital needs assessments, inspection reports, or recent condition data it will provide to the selected consultant?**

   A. Yes, inspection reports and the most recent physical needs assessment performed in 2018 will be provided to the selected firm upon request.

3. **The RFQ states the assessment shall follow HUD guidance. Does the Town require a specific HUD format or tool, or may the consultant propose its own format consistent with HUD guidance?**

   A. Yes, the CNA will need to be prepared in HUD's CNA eTool, but HCD still requires a complete report in electronic format with all supporting documentation as noted under "Deliverables" (see **Section B. Scope of Services**) in the solicitation.

4. **Could you please confirm whether the Capital Needs Assessment must be prepared in HUD's CNA eTool for submission or review by HUD, or whether a traditional CNA report with the required supporting electronic data and spreadsheets is acceptable?**

   A. See answer to question #3.

5. **Will the Town handle resident notification and coordinate access to units, mechanical rooms, attics, and roofs for the inspections?**

   A. Yes.

6. **Are building plans or drawings available for the residential buildings and the four facilities?**

   A. While architectural drawings are not available for every dwelling unit, the Town does maintain drawings for buildings within the communities. We will provide any available architectural drawings/plans available for both dwelling and non-dwelling structures to the selected firm upon request.

7. **Will the Town provide operating budgets, rent rolls, and capital fund data to the selected consultant?**

   A. Yes, all financial data related to the Town's public housing portfolio will be available to the selected firm upon request.

8. **Is there a budget or estimated contract value for this project? Has the Town established an estimated budget or not-to-exceed amount for this engagement, and what is the funding source (e.g., Capital Fund Program, and if so, which grant year)?**

A. The budget for this project is unknown at this time. This project is funded through the Capital Fund Grant program and has been covered in the agency's 5-Year Action Plan.

9. Will key personnel be evaluated on their individual experience and references, including personnel from subconsultant firms?

A. Points will be awarded based on the qualifications, experience, and references of key personnel assigned to this project, including personnel from subconsultant firms who are proposed for key project roles.

10. Section II.A lists Contract Award as January 2026. Please confirm the intended date is January 2027.

A. The correct date is January 2027.

11. Will the Town consider awarding Phase 1 (Capital Needs Assessment) and Phase 2 (Asset Repositioning Plan) as separate contracts, or accept proposals addressing only one phase, consistent with Form HUD-5369-B, Section 7(b)(4)?

A. The Town desires to award one (1) contract for both phases of this project.

12. Section IV.D requests estimated hours by task and an invoicing approach. Should proposers include hourly rates or a fee estimate in the submission, or will pricing be negotiated only with the top-ranked proposer(s)?

A. Proposers should describe their cost control method in their proposals, but fee schedules and hourly rates will be negotiated with top-ranked proposer(s).

13. Does the Town anticipate interviews of short-listed proposers, and if so, in what timeframe?

A. Interviews may be held at the Town's discretion during the 90-day consideration period following the proposal submission deadline.

14. Please confirm that prime/subcontractor teams and joint ventures are acceptable, and that the experience and client references of a major subcontractor or joint venture partner will be credited toward Criterion C and the three-reference requirement.

A. All information required from the prime contractor must also be included for any major subcontractors or for any joint venture. Points will be awarded based on the qualifications, experience, and references of key personnel assigned to this project, including personnel from subconsultant firms who are proposed for key project roles.

15. Do the cover letter, table of contents, section dividers, organizational chart, and resumes count toward the 25-page limit?

A. Table of contents and section dividers will <u>not</u> count towards the 25-page proposal limit.

16. When was the most recent physical or capital needs assessment of the portfolio completed, and will it be made available to the selected consultant? Please also provide the most recent REAC/NSPIRE inspection scores by community, if available.

A. The most recent physical needs assessment performed in 2018 will be provided to the selected firm upon request. The most recent NSPIRE inspection score provided below is for each of our 2 AMPs (Asset Management Projects).

- AMP 1: 74/100 (April 2025)
- AMP 2: 71/100 (April 2025)

The full inspection report with deficiencies listed by community will be provided to the selected firm upon request.

17. How many units are currently vacant by community? This determines the 100% vacant-unit inspection count and the occupied-unit sample size.

A. See answer to question # 1.

18. Should the CNA be prepared in HUD's CNA e-Tool format and to the standard required for a RAD conversion, so that it can support a RAD application without being redone?

A. See answer to question # 3.

19. Are hazardous materials testing (lead-based paint, asbestos, radon) and Phase I Environmental Site Assessments within the scope of this contract, or should Phase 2 identify these as subsequent due diligence steps per Section I.B.2.d?

A. Based on the age of the housing portfolio and the results of environmental testing completed to date, proposers should assume that properties not previously remediated may contain hazardous materials, including lead-based paint and asbestos. Respondents may propose a Phase I Environmental Site Assessment (ESA) as an optional service to further evaluate environmental conditions and identify any recommended testing, abatement, or other due diligence activities. Associated costs for such services may be incorporated into the financial analysis, as appropriate.

The Rainbow Heights and Oakwood communities have been cleared of lead-based paint and asbestos. Environmental testing and assessment reports currently available may be provided to the selected firm upon request

20. Will HCD staff schedule unit access and provide resident notice for inspections?

A. See answer to question #5.

21. Has the Town had any prior engagement with HUD's Office of Recapitalization or Special Applications Center, or made any preliminary determination regarding repositioning of specific communities?

A. Outside of the Town's Trinity Court RAD conversion in 2022, which included preliminary approval for the redevelopment of Craig-Gomains, the Town has not had any prior engagement with HUD's Office of Recapitalization or Special Applications Center.

22. Should Phase 2 evaluate off-site replacement or build-first strategies on other Town-owned parcels identified in the Affordable Housing Plan, or is the analysis limited to the 12 existing communities?

A. Refer to Modification # 1.

23. Will the Town provide unit-level financial and operating data for the financial analysis, including Financial Data Schedule submissions, operating budgets, rent rolls, PIC data, and Capital Fund obligation history?

A. All financial data related to the Town's public housing portfolio will be available to the selected firm upon request.

24. How many presentations to Town Council, boards, and resident stakeholders should proposers assume for budgeting purposes?

A. The number of presentations is discretionary and contingent upon questions, concerns, and requests for clarification received by stakeholders. However, a minimum of two (2) presentations is anticipated.

25. Section 3 benchmarks are expressed in labor hours. How will the Town evaluate Section 3 compliance for a professional advisory contract, and can the full 5 points under Criterion E be earned through a compliance strategy by a firm that is not a Section 3 Business Concern?

A. If a firm is not designated as a Section 3 Business Concern, Section 3 compliance for this project will be evaluated based on the respondent's proposed strategy for advancing Section 3 objectives. Professional services that require a specialized license, certification, or advanced degree (such as architects, engineers, attorneys, or accountants) are generally excluded from total Section 3 labor-hour calculations. However, labor hours performed by a Section 3 Worker or Targeted Section 3 Worker assigned to the project will still be reported to HUD.

Firms are not required to be Section 3 Business Concerns to be awarded points under Criterion E. A non-Section 3 Business Concern may receive points available under Criterion E by demonstrating a strong and credible approach to supporting Section 3 goals in accordance with the solicitation requirements.

26. Form C cites FEMA programs and 49 CFR Part 20. Please confirm that the form is acceptable as provided for this HUD-funded contract, or provide a revised form reflecting 24 CFR Part 87.

A. Refer to Modification # 2.

27. For firms without owned vehicles, will hired and non-owned auto coverage satisfy the Business Auto requirement? For firms exempt from workers' compensation under N.C.G.S. 97-2, will a statement of exemption satisfy that requirement? Must certificates of insurance be submitted with the proposal or only upon award?

A. Yes, hired and non-owned auto coverage will suffice. Firms claiming a workers' compensation exemption will need to provide documentation for consideration by the Town's Office of Risk Management. Certificates of insurance with the appropriate coverages and limits will be required upon contract award.

28. Could you please provide the complete property address and current funding/program type (for example, HUD public housing, HOME, LIHTC, or other applicable source) for each of the 12 communities?

A. All communities are part of the HUD public housing program. See answer to question #1.

29. For fieldwork planning and pricing, please provide the street addresses or address ranges for each of the 12 public housing communities listed in the RFQ: Craig Gomains, Lindsay Street, North Columbia, South Estes, Airport Gardens, Pritchard Park, South Roberson, Colony Woods, Oakwood, Church Caldwell, Eastwood, and Rainbow Heights.

A. See answer to question #28.

Form C-1 Certification Regarding Lobbying

Certification for Federal Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, ‘‘Disclosure Form to Report Lobbying,’’ in accordance with its instructions.

(3) (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

The Contractor, _____, certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any.

_____ _____

Signature of Authorized Official Printed Name and Title of Authorized Official

_____

Date