

## **Addendum # AD001**

### Request for Proposals

#### Third Party Property Management Services

(RFP#5841)

#### **Date of Addendum: December 6, 2023**

The Request for Proposals for the above-named project is amended as noted in this Addendum. This Addendum consists of 1 page and lists questions received and SHA's responses.

Question 1. Would SHA consider an alternate form of a Property Management Agreement, or consider changes to the PMA included in the RFP packet?

Response: Yes, although a preference will be given to working with firms willing to accept SHA's proposed form of Property Management Agreement with as few modifications as possible.

Question 2. We are trying to understand SHA's requirements in determining when employees or contractors are subject to prevailing wages. For example:

Response:

- a. Are Site staff members employed by the property management company subject to prevailing wages?
  - This will depend on the nature of the staff members role and the property's financing. SHA will provide guidance on any prevailing wage requirements during the negotiation of a property-specific management agreement. All Site staff members' payroll costs will be paid for through the property's cash flow from operations.
- b. Small contractor such as painters and floor covering contractors used and who invoice for individual unit turnover?
  - Please review Washington State House Bill 1975 and the helpful summary Final Bill Report
  - HB 1975 notes that ordinary maintenance expense (defined in the Final Bill Report) can be paid for with project revenues that must be treated as private funds (exempt from state prevailing wage requirements)
- c. Any other projects that would NOT be subject to prevailing wages.
  1. HB 1975's definition of administrative operating and ordinary maintenance costs should be instructive. For example, "Ordinary maintenance specifically excludes replacement capital repairs or regularly scheduled maintenance work on plumbing, electrical, or heating, ventilating, air conditioning, and refrigeration (HVAC/R) systems or their components."
  2. SHA intends to self-manage capital improvements that are not considered ordinary maintenance and would coordinate these as needed with property management partners.

END OF RFP ADDENDUM