

Application for Affordable Housing Trust Funds (AHTF) RFP

Offeror Education Meeting
Monday, January 27, 2025

Jacob Kashiwagi
Procurement Consultant
Kashiwagi Solution Model Inc.

Best Value Approach (BVA)

Identifies Experts and utilizes their expertise to deliver high performing projects and services.

What is an Expert?

- “Seeing into the future” [preplans and mitigates risk]
- Tell the difference between conditions
- Simplify the plan for stakeholders [communicate through metrics]

Contract Background

The New Mexico Affordable Housing Act determines eligible uses for the fund; eligibility criteria for applicants; and proposal requirements in order for the disbursement of these funds to be compliant with the State of NM's Anti-Donation Clause. The New Mexico Mortgage Finance Authority (MFA) is responsible for ensuring compliance with the Act through the Affordable Housing Act Rules (the "Rules"). The NM Affordable Housing Act allows the City of Santa Fe to donate, provide, or pay for the costs of the following:

- Land upon which affordable housing will be constructed;
- An existing building that will be renovated, converted, or demolished and reconstructed as affordable housing;
- The costs of acquisition, development, construction, financing, and operating or owning affordable housing; or
- The costs of financing or infrastructure necessary to support Affordable Housing.

City Request for Proposal

Funding is available to developers and sponsors of affordable housing, including partnerships, corporations, limited liability companies, joint ventures, public/private partnerships and non-profit organizations that are organized under state, local, or tribal laws and can provide proof of such organization. Eligible applicants must have proven financial capacity and organizational experience to carry out the activities described in the proposal submitted to receive an AHTF allocation.

For the FY25-26 year, a balance of in the AHTF is available. Depending on the proposals, this allocation will be distributed how the city sees best fit to the proposals that would most benefit the city.

Client Requirement

#	Requirement	City of Santa Fe	Offeror's Project Performance	Ref #
1	# of years experience in affordable housing projects	1		
2	# of affordable housing projects	1		
3	# of affordable housing project in NM with government	1		
4	Average budget (\$)	N/A		
5	Average duration (months)	12 months		
6	Average sources of funding	N/A		
7	Average funding for projects (\$)	N/A		
8	Average members on staff	N/A		
9	Average customer satisfaction	10/10		
10	Average time deviation (%)	0%		
	Average cost deviation (%)	0%		

Project Schedule: Selection Phase

Selection Phase	Days from RFP Release	Due Date
RFP Release	0 days	January 17, 2025
Education Meeting	10 days	January 27, 2025
Last day for questions	14 days	January 31, 2025
RFP Response Due Date	28 days	February 14, 2025 3PM MDT
Interviews (If necessary)	32 days	February 18, 2025
Notification of Prioritized Best Value Offeror	38 days	February 24, 2025

Project Schedule: Clarification Phase

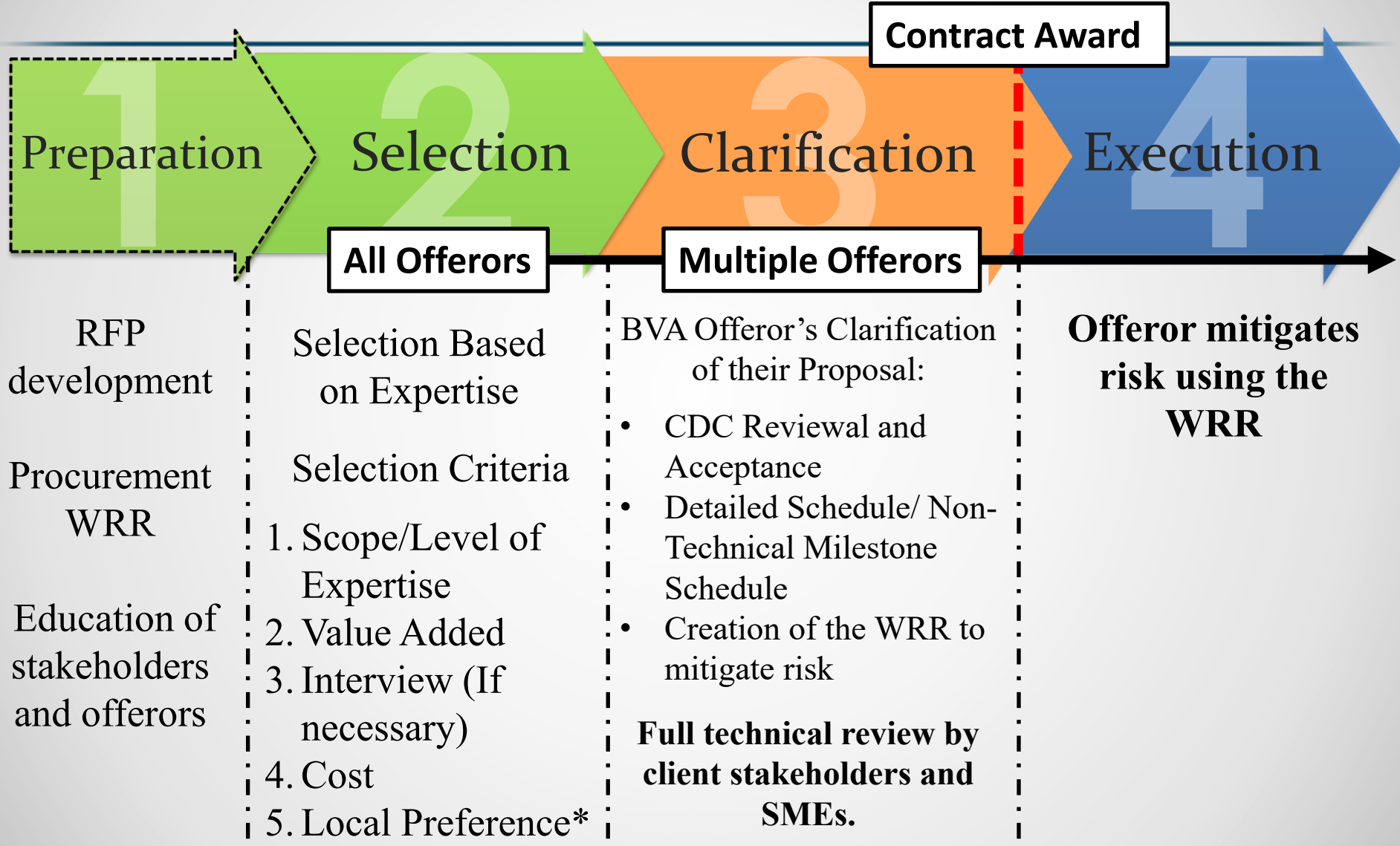
(Set by the Selected Offeror)

Clarification Phase	Days from RFP Release	Due Date
BVA assistance to Prioritized Offeror	38 days	February 24, 2025
First Clarification Meeting	47 days	March 5, 2025
Evaluation Committee finishes full technical and contract review	70 days	March 19, 2025
Final clarification meeting	70 days	March 19, 2025
Best and Final Offers	79 days	March 28, 2025
Governing Board Approval	121 days	April 30, 2025
Awarding and signing of contract	182 days	May 28, 2025

Procurement Participants

- **Purchasing Officer** - Sees all information, including cost information, but does not participate in the ratings of contractors' submittals or interview
- **Stakeholder Selection Board** - Comprised of key operational and technical City resources who will evaluate the two (2) written documents (Scope/Level of Expertise, Value Added) and interview for each contractor. This group will not see cost information and references until the dominance check
- **Best Value Experts** - Will be available to assist the contractors to understand the BVA process and to meet the clarification requirements

The Best Value Approach [BVA]



Selection Phase

Project Capability Submittals

Interview Key Personnel (If necessary)

Prioritization, Verification & Dominance Check



**Scope/Level of expertise
Value added**



Cost

All Offerors



Individual interviews



30 minute duration

Shortlisted Offerors



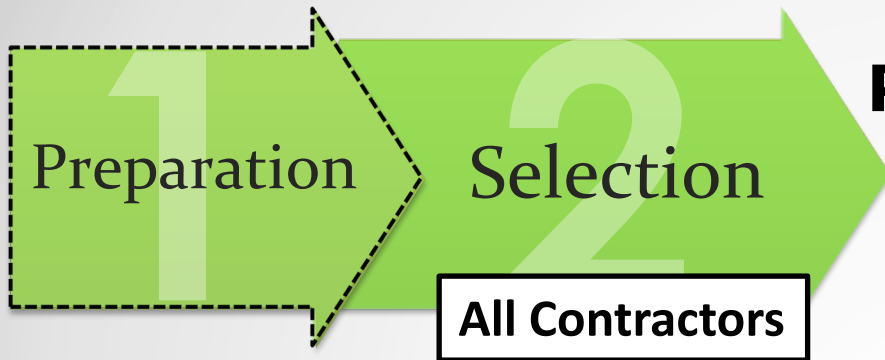
Prioritization



Verification & Selection Check

Multiple Offerors

Selection Phase



Purpose is to identify Expertise

- Performance metrics.
- Project/person specific.
- Simple, non-technical.

Written documents
(2-page per document in addition to other submittal documents)

#	Selection Criteria	% Weight
1	Scope/Level of Expertise (SC/LE)	35
2	Value Added (VA)	5
3	Cost	35
4	Interview (If necessary)	25
5	Local Preference	3 or 6

Offeror Cost Proposal

Provide a total cost to deliver the requested project

- **Total cost of the project**
- **Does not include contingencies** to cover risk
- **Does not include value added items**

The Total Cost should be broken out in two separate methods:

1. A cost breakout by ten project milestones.
2. A cost breakout by project area (Labor, Materials and Overhead)
 1. Equipment should be included in labor

Project/Offeror Capability Submittals

- 2 Submitted Documents:
 - Scope/Level of Expertise (SC/LE)
 - Value Added (VA)
- Maximum 2 page per document [4 total pages]
- No names, or other information that can identify Offeror, should be included in these two documents
- Each table will have a reference for the performance metric that will be on a separate reference page that includes point of contact, phone number, project completion date, email address and project name

Construction Project Described by Metrics

- New laboratory construction [250K SF]
- University campus, fast track project [1.5 year schedule]
- Intensive mechanical systems, clean room environment [200K SF wet laboratory area]
- Expected timeframe: 2 years
- Budget: \$45,000,000
- Full design specifications/drawings included

SC/LE (Construction) – “10” Rating

The offeror is utilizing the most expert project manager not only in the company, but in the area, who specializes in wet laboratory construction. In the last ten years, he has constructed **five such facilities** with the following metrics:

- Average scope: \$52M
- Total area of wet lab floor space [200K SF].
- Facility is full environmentally controlled [2100K CF].
- Facility has a reinforced concrete structure.
- Time deviation: .1%
- Cost deviation: .1%
- Customer satisfaction: 10.0/10.0
- Average completion time: 2.1 year

Simple Scope Description

- Make it simple and non-technical so anyone can understand the project

Example: Our organization will be buying a plot of land and developing it to help Low-Moderate Income (LMI) persons have housing. It will take one year to get everything built and for the people to be impacted.

Example of Metrics for Both Client and offerors

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1	# of years experience in affordable housing projects	1	10	1-2
2	# of affordable housing projects	1	10	1-2
3	# of affordable housing project in NM with government	1	5	1-2
4	Average budget (\$)	N/A	\$500K	1-2
5	Average duration (months)	12 months	12 months	1-2
6	Average sources of funding	N/A	5	1-2
7	Average funding for projects (\$)	N/A	\$300K	1-2
8	Average members on staff	N/A	5	1-2
9	Average customer satisfaction	10/10	10/10	1-2
10	Average time deviation (%)	0%	2%	1-2
	Average cost deviation (%)	0%	2%	1-2

On Separate Page

Reference 1: City A, POC Contact A, \$600K, 12 months (1/1/2024 – 1/1/2025)

Reference 2: City B, POC Contact B, \$400K, 12 months (1/1/2024 – 1/1/2025)

Rating System For Offeror SC/LE Submittal

- 10 - Offeror uses verifiable performance metrics [VPM] to prove they can do subject project requirement with proposed scope.**

- 5 - Cannot determine if contractor has expertise or understands requirement. Vague, requires decision making to identify expertise**

- 1 - Level of Expertise/Scope Claim doesn't meet project requirements.**

Level of Expertise: "10" rating

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Value Added

#	Value Added	Cost	Delay	Impact	Reference #
1	Expand Project to provide 30% more housing	25%	0	Increased cost by 25%	1
2	Include assistance for housing support to community	2%	0	Increased cost by 2%	2
3	Add Additional Project to Acquire land to provide 50% more housing	30%	0	Increased cost by 30%	1-2
4	<u>+(add new row if needed)</u>	-	-	-	-

The Value-Added Plan should identify any value-added options or ideas beyond the proposed scope in support of the primary project for the project that may benefit the city.

Reference 1: City A, POC Contact A, \$600K, 12 months (1/1/2024 – 1/1/2025)

Reference 2: City B, POC Contact B, \$400K, 12 months (1/1/2024 – 1/1/2025)

Rating System for Value Added Submittal

- 10** - Offeror has offered increased value for city supported by performance metrics.

- 5** - Offeror ability to add value is questionable.

- 1** - Offeror decreases value to the city supported by performance metrics.

Interviews (If necessary)

- 30 minutes
- Individual interview for the Project Team Expert
- Key Person Assigned to Project
- Looking for Expert who can tell the difference:
 - Between before and after the project
 - Between this project and other projects
 - Their solution and other's solutions
 - What are they going to do differently
 - Uses metrics and provides short answers

Interview Questions

1. Why were you selected to lead this project?
2. Please explain the difference between this required scope of work and your previous similar projects?
3. What are the risks that you do not control, and how are you going to mitigate the risks?
4. What will you do differently on this project than previous projects?
5. What is the value of the clarification period?
6. What makes the BVA different?

Rating System For Interview

- 10** - Project Manager (PM) can tell the difference, can see into the future and simplify using metrics
- 5** - PM has questionable expert qualities. Requires decision making.
- 1** - PM does not have expert characteristics.

Prioritization, Verification and BV Check

- Prioritization based on 5 criteria:
 - Scope/Level of Expertise
 - Value Added
 - Interview (If necessary)
 - Cost
 - Local Preference*
- Identification of the Best Value Offeror
- Ensure that the identified Best Value Offeror:
 - Metrics and references are accurate [have sources ready if selected as BV]
 - Submittals are in line with client requirement

Average Raw Scores

No	Summary Criteria	Unit	Offeror A	Offeror B	Offeror C
1	Scope / Level of Expertise	(1-10)	7.67	8.33	7.67
2	Value Added Plan (VA)	(1-10)	5.33	5.33	5.33
3	Interview (If necessary)	(1-10)	1.00	5.00	10.00
4	Cost	\$	50,000	80,000	85,000
5	Local Preference	Yes/No	Yes	No	No

Normalize Scores

No	Summary Criteria	Best Score	Offeror A	Offeror B	Offeror C
1	Scope / Level of Expertise	8.33	0.92	1.00	0.92
2	Value Added Plan (VA)	5.33	1.00	1.00	1.00
3	Interview (If necessary)	10	0.10	0.50	1.00
4	Cost	\$50,000	1.00	0.63	0.59
5	Local Preference	1	1.00	0.00	0.00

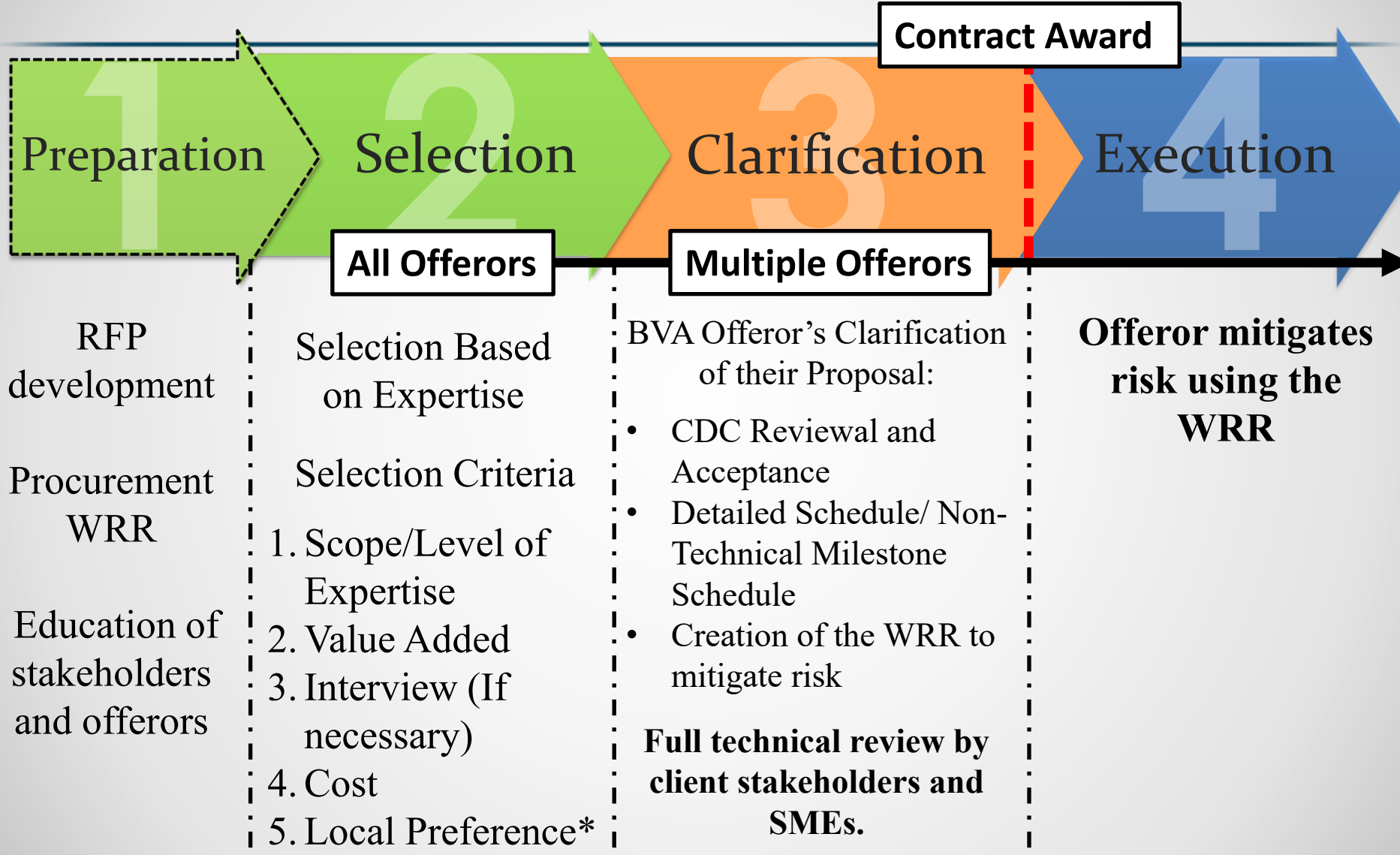
Assign Points and Prioritize

No	Summary Criteria	Weight	Offeror A	Offeror B	Offeror C
1	Scope / Level of Expertise	45	41.4	45.0	41.4
2	Value Added Plan (VA)	10	10.0	10.0	10.0
3	Interview (If necessary)	35	15.8	17.5	35.0
4	Cost	10	10.0	6.3	5.9
5	Local Preference	3 or 6	6.0	0.0	0.0
Final Scoring			83.2	78.8	92.3
			2nd	3rd	1st

Selection Check

- Occurs before entering the Clarification phase
- Client Selection Board will see all information, including offeror ratings and cost
- Ensures that the City is buying the best value
- Client Selection Board must agree on the selection and the offeror ratings must confirm the selection
- In most cases the selection check does not change the prioritization

The Best Value Approach [BVA]



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Offeror Q&A Session

