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COMMISSION

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San Diego Housing Commission (SDHC)
Award of Contract for Physical Needs Assessment (PNA) Services
Presentation to the SDHC Board of Commissioners
September 13, 2024

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Real Estate Division



SDHC – Award of Contract for PNA Services Summary

- Asset Management best practices require periodic and robust analysis of the portfolio of rental properties SDHC owns and manages.
- The PNA is a foundational document to determine a long-term schedule and capital planning costs for replacing major property components.
- The U.S. Department of Housing and Urban Development (HUD) recommends conducting a PNA every five years on long-term-held real estate.
- Two most recent PNAs performed on SDHC's real estate portfolio:
 - Fiscal Year 2019
 - Fiscal Year 2014



SDHC – Award of Contract for PNA Services Summary (Continued)

- SDHC plans to perform a PNA across 150 properties totaling 2,400 units:
 - 8 public housing sites totaling 189 units
 - 142 affordable housing sites totaling 2,211 units
- PNA will not include SDHC's two most recent acquisitions—Pacific Village and Presidio Palms.
 - These two properties underwent PNAs as part of the acquisition due diligence process.
 - They are in the process of being rehabilitated.



7777 Belden St., San Diego, CA 92111



SDHC – Award of Contract for PNA Services Summary (Continued)

- The PNA of SDHC’s real estate portfolio will:
 - Assess the current physical conditions of each property
 - Identify the capital needs
 - Project the replacement reserve needs over a 20-year period.
- An assessment of potential sustainable improvements is included in the scope of services.
 - This will allow SDHC to make long-term financial and strategic planning decisions relative to preservation of existing real estate assets.
- The average age of SDHC Real Estate portfolio is 45 years.
 - These properties have existing needs that involve costs of repairs and replacement beyond ordinary maintenance.
- The PNA will enable SDHC to accurately identify and address the most urgent needs first amid ongoing funding limitations.



SDHC – Award of Contract for PNA Services

Request for Proposals

- July 2, 2024: SDHC issued a Request for Proposals (RFP) for this service.
 - Posted and made available for download on the PlanetBids website through SDHC’s portal.
 - 250 registered contractors were notified.
 - Nine bid packages were downloaded by interested parties.
- July 30, 2024: The RFP closed, and SDHC received 4 proposal responses.
- The RFP evaluation panel evaluated, scored and ranked the proposals based on:
 - Company Experience and Qualifications
 - Company Technical Capabilities
 - Project Proposed Approach
 - Cost Proposal
 - Company Equity and Inclusion commitments



SDHC – Award of Contract for PNA Services Request for Proposals (Continued)

- At the conclusion of the evaluation process, Partner Engineering and Science, Inc. (Partner) was rated and ranked as the most qualified and responsive respondent to the RFP.

Company Name	Ranking
Partner Engineering and Science, Inc.	1
AEI Consultants	2
BBG Assessments, LLC	3
Bureau Veritas	4



SDHC – Award of Contract for PNA Services Fiscal Considerations

- The proposed funding sources and uses approved by this action were included in the Housing Authority-approved Fiscal Year 2025 SDHC Budget.
 - Funding sources:
 - Local Funds - \$370,260
 - Funding uses :
 - PNA services - \$370,260



4055 - 4083 Pulitzer Place, San Diego 92105



SDHC – Award of Contract for PNA Services

Staff Recommendations

That the SDHC Board of Commissioners take the following actions:

- 1) Approve an award of a one-year contract for the term from September 16, 2024, through September 15, 2025, to Partner Engineering and Science, Inc. in an amount not to exceed \$336,600 to provide Physical Needs Assessment services for SDHC's real estate portfolio.
- 2) Authorize the President and Chief Executive Officer (President and CEO), or designee, to substitute funding sources and/or increase compensation by not more than 10 percent of the total contract amount, if necessary for services not anticipated in the original contract scope of service, without further action by the SDHC Board or Housing Authority of the City of San Diego, but only if and to the extent that funds are determined to be available for such purposes.
- 3) Authorize the President and CEO, or designee, to execute all documents and instruments that are necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and to take such actions as are necessary and/or appropriate to implement these approvals, provided that a copy of the documents, signed as to form by General Counsel, is submitted to each Housing Commissioner.



Questions & Comments

