

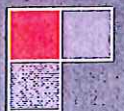
2015

Request for Proposal (RFP)

OPA Reserve Study

Analysis of Responses

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A. RFP Background

1. OPA desires to have a Full reserve study conducted in accordance with the standards set by the Community Associations Institute (CAI). This study will be comprised of two parts. First part will pertain to information about the physical status and repair/replacement cost of the major common area components OPA is obligated to maintain (Physical Analysis). Second part will include the evaluation and analysis of the OPA's reserve balance, income, and expenses (Financial Analysis).
2. The Physical Analysis portion of this reserve study will be comprised of the Component Inventory, Condition Assessment, and Life and Valuation Estimates. The Component Inventory will be required to be fully developed because the current Component Inventory developed from previous reserve studies is incomplete.
3. The Financial Analysis portion of this reserve study is made up of a *finding* of the OPA's current Reserve Fund status (measured in cash and as a Percent Funded) and a *recommendation* for an appropriate Reserve contribution rate (Funding Plan).
4. RFI was released May 6, 2015 requesting information regarding the future conduct of a full reserve study. Sixteen reserve consultant firms were contacted with the RFI. There were five responses to this request.
5. All five responses to the RFI were ranked according to the same criteria including reserve study experience with organizations similar to OPA, approach, schedule, best commercial practices employed and several other factors. As a result of this analysis the top three consultants were invited to make an oral presentation and subsequently to respond to an RFP issued at the conclusion of each presentation to each consultant.

B. Project Plan

1. RFI initiated May 6, 2015.
2. Association orientation and tour of facilities May 15, 2015 at 9:00 am.
3. RFI responses due May 21, 2015 by 3 pm to OPA Administrative Offices.
4. Review of RFI submissions and selection of 3 consultants to participate in competitive oral presentations July 17, 2015 and issued an RFP.
5. RFP responses due July 23, 2015 by 3 pm to OPA Administrative Offices.
6. Best value award based on oral presentations, reference check and response to RFP.
7. Recommendation for best value award presented for board approval at monthly board meeting July 30, 2015.

C. RFP Response Instructions

Responses to the RFP were requested to include the following information.

1. Cost to perform a Full Reserve Study; identify separately base costs from any additional optional costs for services and/or products outside of the study base cost; and identify any legacy costs involved with the proposed final product.
2. Detailed proposed project schedule to conduct a Full Reserve Study from time of contract award until final product; schedule should include key events, reviews and estimated time to complete.
3. List of detailed report and/or data requirements to be provided by OPA and when required; specifically list of detailed information required in advance of the start of the study.

4. Detail description of OPA support required to the conduct of the reserve study to include site visitation, review participation, document and/or product reviews and approvals. Provide a time frame for completion of a Full Reserve Study from award of contract to presentation of work product.

D. Discussion

Best value award is based on the oral presentations, the result from checking references and the response to the RFP. Each will be discussed separately.

Oral presentations were made July 17, 2015. Presentations demonstrated all three companies' extensive experience with conducting Full Reserve Studies and specific experience with organizations similar to the scope and size of OPA. Each demonstrated a complete knowledge of industry best practices and had a proven methodology that would be employed at OPA in their conduct of the reserve study. DMA and Reserve Advisors stood out from Miller Dodson with respect to their incorporation of state of the art technology in developing, reviewing and coordinating the results of their study. Miller Dodson utilizes a more classic hard copy review and edit of their final results. Both DMA and Reserve Advisors offer electronic edit, review and delivery of their final report. Both DMA and Reserve Advisors deliver this capability through proprietary software. The difference between the two is that Reserve Advisors is cloud based and allows the user autonomous access to do "what if" scenarios while DMA retains control of their reports and offers similar capabilities through their staff involved in schedule "Go-To-Meetings" through conference calls.

Reserve Advisors described a concerted effort of quality assurance being made in the delivery of their final product. Specifically every study is reviewed and approved through its' Quality Assurance department to verify costs and financial strategies. Consequently every study conducted carries a formal corporate approval with it. Additionally Reserve Advisors was unique in the fact that all its resources with regard to engineering, financial analysis, support to the proprietary software is organic to the organization as opposed to remote staff used as needed.

DMA offered the unique feature of offering reserve expenditure sub-accounts as part of the overall reserve account as defined in agreement with OPA, to allow for optimal management of the financial data. DMA will create one master funding account that will be linked to all expenditure sub-accounts so that changes in any account can be quickly updated and the impact on the master account can be easily analyzed. Reserve Advisors said this capability was possible in their system but not replicated easily.

Extensive references were provided by each consultant as part of the RFI response. Several references were contacted for each of the final three consultants. In every instance of contact for DMA and Reserve Advisors references described as their services as excellent and were very satisfied with their results. In every instance the reference

had an ongoing contractual relationship and in one instance had been ongoing for 10 plus years with DMA. One reference of DMA had switched from Miller Dodson Associates three years ago and was very satisfied with the change. Unfortunately similar results were not found concerning Miller Dodson. One reference that was reached expressed extreme dissatisfaction and described the process of getting the final report as “pulling teeth”. That same reference was in a current search for a new reserve specialist. The second reference expressed satisfaction with Miller Dodson services but did not use them for their most recent study because they were not low bid.

After each presentation an RFP was distributed. Response to the RFP is summarized in the following table.

Each contractor responded to all RFP elements. Each will be discussed briefly.

Contractor	Cost (Base)	Cost Options	Legacy Costs (Optional)	Schedule	Data Required	OPA Support
DMA	\$25,800	\$150 per hr additional services	\$2,000 per yr for 4 yrs	1)Aug-Sep: initial project development; 2)Sep-Oct: site visits 3)Oct-Nov: cost analysis completed 4)TBD: training 5)Final Report 2 weeks after training	1)Reserve account balances; rates of return; current contributions 2)OPA current Asset List; equipment lists 3)Contracted reserve projects cost, schedule, performance info 4)Scaled drawings of infrastructure	1)Access to areas (common, restricted) 2)Representatives to provide background info of infrastructure 3)Working session to include board, finance committee reps
Reserve Advisors	\$36,950	\$34,450 after 1/1/16	\$3,695 per yr for 3 yrs	1) Inspection 14 weeks after contract received (Nov) 2)Report 4-6 weeks after inspection (Jan)	1)Declarations & by laws 2)Board contact info 3) Common element list 4) Project contracts 5) Operating budget 6) Savings Interest rates 7) Site plans	Individual Dept Head meetings; facility access
Miller Dodson	\$44,500	N/A	N/A	1)On site meeting & inspection 2)Initial draft report 60-75 days (Oct) presented in two sessions 3)Two revisions within 90 days of initial draft	1) Scaled plans of property details 2)Inspection reports 3)Inventory Lists	Access to all common areas of the property included secure areas

Base costs varied significantly. Reserve Advisors offered a cost credit if OPA would delay start of the study until after Jan.1, 2016. DMA did not offer any options to the base cost but did offer additional services outside the scope of work could be provided on a billed rate of \$150 per hour. Both DMA and Reserve Advisors offered continued access to their proprietary software programs as an option for the term specified in the table. DMA offered more specifics with regard to schedule. Reserve Advisors & Miller Dodson qualified their schedules based on contract award date. Both DMA and Reserve Advisors were very detailed with regard to data and support requirements. Miller Dodson's treatment of these requirements was brief.

E. Conclusions

Based on the oral presentations, reference feedback and responsiveness to the RFP both DMA and Reserves Advisors appear to be significantly ahead of Miller Dodson in our evaluation. Considering Miller Dodson base cost is significantly higher than both DMA and Reserve Advisors they are eliminated from final consideration of award. To facilitate a best value award recommendation between the two remaining competitors the following table was created.

	DMA	Reserve Advisors
Base Cost	\$25,800	\$36,950
Legacy Costs (3 yrs)	\$6,000	\$11,085
Information Access through Technology	Controlled Web Access with DMA Involvement	Cloud Based Access on Demand (Available in Fall)
Reserve Fund Analysis	Sub Account Expenditures with Automatic Roll Up	Spreadsheet Analysis with some manual Calculations
Quality Assurance	Routine Staff Review	Separate Corporate Dept
References	Excellent	Excellent
Experience Similar to OPA	Excellent	Good
Staff Resources	Small with Geographic Support cells on Call	Large Staff, Organic, separate Departments Engineering & Finance
Company Profile	Regional (Richmond, VA)	National (Local Office in Arlington, VA)

Both companies are excellent Reserve Specialists, highly qualified and experienced in what they do with both having great reputations. The difference in base costs between these companies can be assumed is largely attributed to the additional overhead costs associated with a national company having a large organic staff compared to a regional company with a small staff. In order to make a best value award it must be determined if there is significant added benefit to this additional cost. In this case it does not appear to

be so. There are two significant advantages offered by Reserve Advisors. First is the flexibility to access the reserve study data via a cloud based system. This will permit OPA decision makers to conduct “what if” drills at any time from any location. However it should be noted that this capability is currently being developed and will be available sometime in the fall. All the references contacted did not have this capability and did not know it was coming. Currently available is a capability similar to that offered by DMA, access with scheduled staff support. Second, Reserve Advisors offers its own Quality Assurance Department to ensure all reports are accurate and in compliance with industry standard best practices. This is an excellent feature however the excellent reputation of DMA seems to imply they have a pretty good quality assurance process in place producing a very effective product. Consequently the significant additional cost for Reserve Advisors does not seem to provide a proportional added benefit when compared to DMA’s product. In the opinion of the Evaluation Team, this decision boils down to the board to have the capability to allow multiple users, including board members, numerous administrative departments, and perhaps even at committee level, to conduct “what if” scenarios. The Evaluation Team believes that the tool will be extremely valuable. However, given that an updated reserve study will be required in five years, the current differential in cost is not warranted.

F. Recommendation: Award contract to DMA.