



GUIDE FOR MONITORING OF REAL ESTATE ASSET MANAGERS

REAM Contract Area: _____

Contract No _____ Award Date _____ Expiration Date _____

If contract extended, indicate option period _____

Field Office: _____

Reviewer: _____ Review Date: _____

Total Points _____ Overall Risk Ranking _____

Instructions: Check appropriate box indicated below. Field Offices are to assign a risk ranking factor to each REAM contract upon completion of review to determine the frequency of future reviews. Ranking to be High (H); Moderate (M); or Low (L). Each no response counts as one (1) point. Use the following scale to determine frequency of reviews.

Note: The point system is merely a suggestion. Offices may apply various weights or counts as deemed appropriate but the risk ranking and review frequency factors must remain unchanged. Some items may not be applicable based on the service items contained in the individual REAM contract. Mark these "N/A" for not applicable.

Points	Risk Ranking	Review Frequency
69-46	High	Monthly
45-22	Moderate	Quarterly
21-0	Low	Semi-Annual

----- Yes No

1. Accounting/Disbursements

Is the REAM submitting invoice requesting payment for management fees not later than the tenth day of the month and in accordance with the subject contract? Check the Monthly REAM Billing Report - CM/RP/PB.

2. Collections

A. Is REAM forwarding rent and any other collections to the HUD lockbox within 24 hours of receipt?

B. Are rental leases, receipt books and tenant cards being maintained?

C. Are Delinquent Notices sent to tenants and the Delinquent Tenant Report submitted to HUD by the 10th calendar day of the month?

D. When necessary, are late charges being imposed, workout agreements developed or eviction actions initiated?

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	Yes	No
3. Files & Records		
A. Are individual property files established and maintained as required by the contractor?	_____	_____
B. Are files complete and adequately documented?	_____	_____
C. Are work order and transmittal logs maintained in accordance with the contract?	_____	_____
D. Are proper forms being completed (work order, 9542, 9519, SAMS 1106, SAMS 1111 etc.,) as they relate to purchase procedures?	_____	_____
4. Initial Services to be Performed		
A. Are newly assigned properties inspected within 48 hours and thereafter as necessary?	_____	_____
B. Are all inspections of properties recorded on HUD-9519 or 9519-A?	_____	_____
C. Is REAM performing Occupied Conveyance procedure in accordance with contract requirements?	_____	_____
D. Are emergency repairs handled in appropriate manner?	_____	_____
E. Are For Sale and Warning Signs being posted in accordance with requirements?	_____	_____
F. Are police, utility companies and taxing authorities being timely notified of Government ownership?	_____	_____
G. Is Field Office being timely and correctly notified by Form HUD-9516-A or otherwise, of damage and/or adverse occupancy, including personal property?	_____	_____
H. Is the initial service package, including HUD-9516-A and defective paint report submitted within five (5) days of assignment?	_____	_____
I. Are hazardous conditions identified and removed in accordance with the contract?	_____	_____
J. Are properties being maintained in accordance with the contract?	_____	_____
K. Are trash and debris being removed from the properties?	_____	_____
L. Is winterization done in accordance with outstanding instructions?	_____	_____
M. Securing:		
1. Are properties being secured in accordance with instructions?	_____	_____
2. Front, back, side doors and windows secured?	_____	_____
3. Appropriate lockbox being utilized?	_____	_____
4. Garages and Storage Sheds properly secured?	_____	_____
N. Mowing, Trimming, Snow Removal. Is REAM arranging and supervising mowing, weed removal, trimming of shrubs, etc. and snow removal when needed?	_____	_____
O. Does REAM have adequate systems to monitor time frames, i.e. repairs and inspections of repairs, submission of documents?	_____	_____
P. Is the REAM preparing properties for sale in a timely manner. Cases Listed but Unsold Report - DM/RP/US.	_____	_____

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	Yes	No
Q. Are tenant complaints responded to within the timeframes indicated in the contract?	_____	_____
R. Are operating systems being tested and systems check reports provided within five (5) days of assignment?	_____	_____
S. Test Reports. When required, is REAM obtaining and transmitting certified test reports concerning the condition of the operating system and equipment? Are these tests accurate?	_____	_____
T. Are sign-in sheets posted on interior of property in accordance with contract?	_____	_____
U. Is the REAM providing a listing of needed repairs with cost estimates within five (5) days of assignment?	_____	_____
5. Continuing Services to be Performed		
A. Repairs and Purchasing		
1. Is the REAM's list of qualified contractors up to date and in use?	_____	_____
2. Are repair contractors being rotated on the REAM's vendors list according to instructions?	_____	_____
3. Are repairs cost effective? <u>Profit/Loss Report by Acquisition Cost - DM/RP/PL.</u>	_____	_____
4. Are bid solicitations in accordance with good business practice and Federal procurement regulations and HUD policies?	_____	_____
5. Is work beginning timely?	_____	_____
6. Do repairs appear to be extensive and/or not cost effective?	_____	_____
7. Are repair contractors being supervised and are inspections being made to assure satisfactory compliance with repair and maintenance contracts?	_____	_____
8. Work progresses sufficiently to assure timely completion and compliance with contract requirements?	_____	_____
9. Does the REAM follow up on deficiencies noted during inspections?	_____	_____
10. Are repair contractors who consistently perform inadequately recommended for removal from the list of qualified contractors?	_____	_____
11. Is the REAM adhering to local office limitations on purchase?	_____	_____
12. Emergency Procedures - Does REAM understand emergency repair procedures?	_____	_____
13. Are Work Orders, Invoices and SAMS 1106 forms prepared accurate and according to instructions and processed in a timely manner?	_____	_____
B. Post Closing Complaints		
NORMS - Are the nature and frequency of occurrence of post-closing complaints within reasonable limits?	_____	_____

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	Yes	No
C. Repair Specifications		
1. ADEQUACY - Are repair specifications comprehensive in order that repair contractors can bid responsively?	_____	_____
2. COST ESTIMATES - Can the REAM's cost estimates be utilized in management decision in determination of the Disposition Program?	_____	_____
6. General Considerations		
A. Does the REAM have a record of harmonious relationships and demonstrated ability to work with repair contractors, selling agents and other interested parties within the contract area?		
1. Does the REAM satisfactorily resolve complaints from tenants, subcontractors, or selling brokers in connection with the REAM's services?	_____	_____
2. Does the REAM represent the Government in a reputable manner?	_____	_____
3. Has all litigation in connection with the REAM's services been satisfactorily resolved?	_____	_____
B. Is the REAM available during normal business hours on a reasonable basis?	_____	_____
C. Does the REAM adhere to norms established for processing time?	_____	_____
7. Administrative and Record Keeping		
A. Is the REAM staff adequate?	_____	_____
B. Are inventory controls and inventory status records adequate?	_____	_____
C. Does REAM have an adequate tickler or follow-up system for inspections, purchase orders, work orders, reports, etc?	_____	_____
D. Does REAM have an adequate understanding of HUD's policies and procedures with regard to:		
(1) Equal Opportunity?	_____	_____
(2) Affirmative fair marketing?	_____	_____
(3) Procurement?	_____	_____
E. Does REAM have an adequate understanding in relation to property disposition activities of federal income tax levies, mechanic's and workman's liens, and notice of bankruptcy or garnishment against contractors?	_____	_____
F. Are the following conditions adequate?		
(1) Office hours	_____	_____
(2) Availability of REAM or qualified staff	_____	_____
(3) Businesslike office appearance	_____	_____
(4) Attitude of REAM and/or staff	_____	_____



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- 8. Discussion Items Either Predetermined Prior to Review or Developed During Review Other Than Above.
 - A.
 - B.
 - C.
 - D.

- 9. Follow-up Items That May Be Used for Advice to REAMs Concerning Deficiencies.
 - A.
 - B.
 - C.
 - D.

Total Issues Found _____

Total of Failure to Meet Schedules _____

Total Recurring Findings _____

Total Inability to Clear Findings Adequately _____

Summary and Explanation of Comments

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Remedial Actions to be Taken:
 (If necessary, continue on separate sheets and attach to this report.)

Signature _____ Title of Reviewer _____
 (HUD Staff Member Making Review)

CPO's Signature _____ Date Signed _____

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CPO's comments, If any:

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Definitions for developing REAM's ranking factors.

High Risk - REAM's performance is unsatisfactory, but has a possibility of improvement. Relationship is characterized by the following:

- Requirements in the REAM's contract are frequently not complied with.
- Results from prior review(s) remain outstanding.
- REAM consistently provides untimely performance and newly acquired properties are rarely inspected within 48 hours.
- Information required of the REAM, such as the 9516-A, vendor invoice and related SAMS forms are not provided in a timely or accurate manner.
- The REAM is frequently not preparing properties for sale in a timely manner.
- Excessive complaints are received regarding condition of properties.
- Inventory turnover (i.e., property sales) is not occurring in a reasonable time period.
- Properties are not sold in a reasonable timeframe resulting in higher than acceptable turnover rate.
- Repairs are excessive and exceed budgeted repair cost.
- The REAM is unable to adequately maintain the properties in required condition and is incurring higher than normal maintenance and operating costs.
- Subcontractors prices are not justified and where appropriate, subcontractors are not being rotated.
- Operational controls over the REAM's property management function and fiscal procedures are not in place.
- The REAM requires constant supervision to resolve complaints and conflicts from both outside parties and the Department's personnel.

Moderate Risk - REAM's performance is exhibiting signs of deterioration, requiring additional monitoring and control. Performance is characterized by the following:

- Requirements in the REAM's contract have not been consistently complied with.
- Results from prior review(s) on occasion are not complied with.
- REAM periodically provides untimely performance and occasionally newly acquired properties are not inspected within 48 hours.
- Information required of the REAM, such as the 9516-A, vendor invoice and related SAMS forms have been provided in a timely and accurate manner.
- The REAM is periodically not preparing properties for sale in a timely manner.
- Few complaints are received regarding the condition of properties.
- Inventory turnover (i.e., property sales) is demonstrating adverse trends.
- Properties are periodically sold in an undesirable timeframe resulting in a less than acceptable turnover rate.
- Repairs have been periodically excessive and not within the budgeted repair cost.
- Concern exists as to whether the REAM is adequately maintaining the properties in required condition and is incurring higher than normal maintenance and operating costs.

- Subcontractors prices are being justified and where appropriate, subcontractors are rotated.
- Operating controls over REAM's property management function and fiscal procedures are in place but not effective.
- The REAM requires increasing supervision due to the Department's concerns its management services in accordance with the REAM's contract.

Low Risk - REAM's performance is an acceptable level of risk. Performance is characterized by the following:

- Requirements in the REAM's contract are consistently complied with.
- Findings from prior review(s) are resolved in a timely manner.
- REAM provides timely performance and newly acquired properties are inspected within 48 hours of acquisition.
- Information required of REAM, such as the 9516-A, vendor invoice and related SAMS forms have been provided in a timely and accurate manner.
- The REAM prepares properties for sale in a timely manner.
- No complaints are received regarding the condition of properties.
- Inventory turnover (i.e., property sales) is occurring in a reasonable time period.
- Properties are sold within the projected timeframe resulting in an acceptable turnover rate.
- Repairs are in accordance with outstanding instructions and within budgeted repair cost.
- The REAM is adequately maintaining the properties in required condition and is incurring acceptable maintenance and operating costs.
- Subcontractors prices are justified and, where appropriate, subcontractors are being rotated.
- Operating controls over the REAM's property management function and fiscal procedures are in place and effective.
- The REAM requires minimal supervision to resolve complaints and conflicts from both outside parties and the Department's personnel.