

HARRIS COUNTY HOUSING AUTHORITY		
Adopted: 8/15/12	PROCUREMENT POLICY	Resolution #: 16-01
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1.0 INTRODUCTION

1.1 General. Established for the Harris County Housing Authority (hereinafter, “HCHA”) by Action of HCHA Board of Commissioners (Board) on August 15, 2012, this Procurement Policy (Policy) complies with the Annual Contributions Contract (ACC) between HCHA and the United States Department of Housing and Urban Development (HUD), Federal Regulations at 2 CFR §200.317 through §200.326, *Procurement Standards*, the procurement standards of the Procurement Handbook for Public Housing Authorities (PHAs), HUD Handbook 7460.8, REV 2, and applicable State and Local laws.

2.0 GENERAL PROVISIONS

2.1 General. HCHA shall:

- 2.1.1** Provide for a procurement system of quality and integrity;
- 2.1.2** Provide for the fair and equitable treatment of all persons or firms involved in purchasing by **HCHA**;
- 2.1.3** Ensure that supplies and services (including construction) are procured efficiently, effectively, and at the most favorable and valuable prices available to **HCHA**;
- 2.1.4** Promote competition in contracting; and
- 2.1.5** Assure that **HCHA** purchasing actions are in full compliance with applicable Federal standards, HUD regulations, State, and local laws.

2.2 Application. This Policy applies to all procurement actions of HCHA, regardless of the source of funds. However, nothing in this Policy shall prevent HCHA from complying with the terms and conditions of any grant, contract, gift or bequest that is otherwise consistent with the law. When both HUD and non-Federal grant funds are used for a project, the work to be accomplished with the funds should be separately identified prior to procurement so that appropriate requirements can be applied, if necessary. If it is not possible to separate the funds, HUD procurement regulations shall be applied to the total project. If funds and work can be

separated and work can be completed by a new contract, then regulations applicable to the source of funding may be followed.

- 2.3 Definition.** The term “procurement,” as used in this Policy, includes the procuring, purchasing, leasing, or renting of: (1) goods, supplies, equipment, and materials, (2) construction and maintenance; consultant services, (3) architectural and engineering (A/E) services, (4) social services, and (5) other services.
- 2.4 Changes in Laws and Regulations.** In the event an applicable law or regulation is modified or eliminated, or a new law or regulation is adopted, the revised law or regulation shall, to the extent inconsistent with these Policies, automatically supersede these Policies.
- 2.5 Public Access to Procurement Information.** Most procurement information that is not proprietary is a matter of public record and shall be available to the public to the extent provided in the Freedom of Information Act or the Texas Public Information Act. Note: information will only be released once an award of contract has been made.

3.0 PROCUREMENT AUTHORITY AND ADMINISTRATION

- 3.1 Executive Director’s Responsibilities.** The Contracting Officer(s) shall administer all procurement transactions. The Contracting Officer shall be the Executive Director/Chief Executive Officer or any other individual so designated by the Executive Director/Chief Executive Officer. Any delegations of contracting authority must be documented in writing. The Contracting Officer shall ensure that the following occur:
 - 3.1.1** Procurement requirements are subject to a planning process to assure efficient and economical purchasing;
 - 3.1.2** Contracts and modifications are in writing and clearly specify the desired supplies services, or construction; are supported by sufficient documentation regarding the history of the procurement, including as a minimum the method of procurement chosen, the selection of the contract type, the rationale for selecting or rejecting offers, and the basis for the contract price; and that contracts and modifications are awarded only by Authority employees designated in writing as having such authority;
 - 3.1.3** For procurements other than micro or small purchases, public notice is given of each upcoming procurement, an adequate time period is provided for preparation and submission of bids or proposals, and notice of contract awards is made available to the public;
 - 3.1.4** Solicitation procedures are conducted in full compliance with Federal standards stated in 2 CFR §200.317 through §200.326, or State and local

laws that are more stringent, provided they are consistent with 2 CFR §200.317 through §200.326;

- 3.1.5 An independent cost estimate is prepared before solicitation is issued and is appropriately safeguarded for each procurement above the micro purchase limitation, and a cost or price analysis is conducted of the responses received for all procurements;
- 3.1.6 Contract award is made to the responsive and responsible bidder offering the lowest price (for sealed bid contracts) or contract award is made to the offer or whose proposal offers the greatest value to the Authority, considering price, technical, and other factors as specified in the solicitation (for contracts awarded based on competitive proposals); for procurements above the small purchase threshold, unsuccessful firms are notified after contract award;
- 3.1.7 Work is inspected before payment, and payment is made promptly for contract work performed and accepted; and
- 3.1.8 The Authority complies with applicable HUD review requirements and any local procedures supplementing this statement.

3.2 Contractor's Responsibilities. Procurements shall be conducted only with responsible contractors, i.e., those who have the technical and financial competence to perform and who have a satisfactory record of integrity. The Authority shall review each proposed contractor's ability to perform the contract successfully, considering factors such as the contractor's integrity (including a review of the List of Parties Excluded from Federal Procurement and Non-Procurement Programs published by the U.S. General Services Administration), compliance with public policy, record of past performance (including contacting previous clients of the contractor, such as other Housing Authorities), and financial and technical resources. Contracts shall not be awarded to debarred, suspended, or ineligible contractors.

4.0 ETHICS IN PUBLIC CONTRACTING

- 4.1 **General.** HCHA hereby establishes this code of conduct regarding procurement issues and actions and shall implement a system of sanctions for violations. This code of conduct is consistent with applicable Federal, State, or local law.
- 4.2 **Conflicts of Interest.** No employee, officer, Board member, or agent of HCHA shall participate directly or indirectly in the selection, award, or administration of any contract if a conflict of interest, either real or apparent, would be involved. This type of conflict would be when one of the persons listed below has a financial or any other type of interest in a firm competing for the award:

- 4.2.1 An employee, officer, Board member, or agent involved in making the award;
- 4.2.2 His/her relative (including father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother, or half-sister);
- 4.2.3 His/her partner; or
- 4.2.4 An organization which employs or is negotiating to employ, or has an arrangement concerning prospective employment of any of the above.

4.3 Gratuities, Kickbacks, and Use of Confidential Information. A commissioner, employee, or agent of HCHA shall not solicit any gifts or other benefit but may accept or agree to accept a gift of nominal value or a meal in an individual expense of \$100 or less at any occurrence from any contractor, potential contractor, or party to any subcontract, and shall not knowingly use confidential information for actual or anticipated personal gain. However, except as provided by the HCHA Ethics Policy, such gifts may not in aggregate exceed \$250 during any 12-month period.

4.4 Prohibition Against Contingent Fees. Contractors wanting to do business with HCHA must not hire a person to solicit or secure a contract for a commission, percentage, brokerage, or contingent fee, except for bona fide established commercial selling agencies.

A. **5.0 PROCUREMENT PLANNING**

5.1 General. Planning is essential to managing the procurement function properly. Hence, HCHA will periodically review its record of prior purchases, as well as future needs, to:

- 5.1.1 Find patterns of procurement actions that could be performed more efficiently or economically;
- 5.1.2 Maximize competition and competitive pricing among contracts and decrease HCHA's procurement costs;
- 5.1.3 Reduce HCHA administrative costs;
- 5.1.4 Ensure that supplies and services are obtained without any need for re-procurement (i.e., resolving bid protests); and
- 5.1.5 Minimize errors that occur when there is inadequate lead time.

Consideration shall be given to storage, security, and handling requirements when planning the most appropriate purchasing actions.

B. 6.0 PROCUREMENT METHODS

Prohibition Against Dividing Purchase for Specific Purposes. HCHA shall not divide purchases or contracts at any level into several purchases or contracts that are less than the applicable threshold merely to: (1) permit use of the procedures for a lower threshold or (2) avoid any requirements that apply to purchases of the appropriate threshold. Any attempt to divide purchases or contracts for the inappropriate purposes listed above will be considered a violation of this policy.

Approval by Board of Commissioners. Purchases and contracts of any items or services in excess of \$25,000 shall be made by the Contracting Officer only after approval by the Board, unless the Executive Director/CEO documents in writing to the Chair of the Board that an emergency exists that requires immediate action. In any case involving an emergency purchase, the Executive Director/CEO shall provide the Board of Commissioners a full report of the circumstances leading to the purchase at the next regularly scheduled Board meeting.

6.1 Petty Cash Purchases. Purchases under \$250 may be handled through the use of a petty cash account. Petty cash accounts may be established in an amount sufficient to cover small purchases made during a reasonable period, e.g., one month. For all Petty cash accounts, HCHA shall ensure that security is maintained and only authorized individuals have access to the account. These accounts shall be reconciled and replenished periodically.

6.2 Micro Purchase Procedures. For any amounts above the petty cash ceiling, but less than \$3,000 (except for construction procurements which is set at \$2,000), HCHA may use micro purchase procedures. Under micro purchase procedures, HCHA may proceed with a micro purchase after obtaining one quote provided the quote is considered reasonable. When practical, micro purchases should be distributed among qualified sources to promote competition. Quotations for micro purchases may be obtained orally (either in person or by phone), by fax, in writing, or through e-procurement. Award shall be made to the responsive and responsible vendor that submits the lowest cost to HCHA. If award is to be made for reasons other than lowest price, documentation shall be provided in the contract file.

6.3 Small Purchase Procedures. For any amounts above the micro purchase ceiling, but not exceeding \$150,000, HCHA may use small purchase procedures. Under small purchase procedures, HCHA shall obtain a reasonable number of quotes (preferably three). To the greatest extent feasible, and to promote competition, small purchases should be distributed among qualified sources. Quotations for small purchases (QSP), or quotes, may be obtained orally (either in person or by

phone), by fax, in writing, or through e-procurement. Award shall be made to the responsive and responsible vendor that submits the lowest cost to HCHA. If award is to be made for reasons other than lowest price, documentation shall be provided in the contract file.

6.4 Sealed Bids. Sealed bidding, also known as Invitation for Bids (IFB), shall be used for all contracts that exceed the small purchase threshold and that are not competitive proposals or non-competitive proposals as defined in this Policy. Under sealed bids, HCHA publicly solicits bids and awards a firm fixed-price contract (lump sum or unit price) to the responsive and responsible bidder whose bid, conforming with all the material terms and conditions of the IFB, is the lowest in price. Sealed bidding is the preferred method for procuring construction, supply, and non-complex service contracts that are expected to exceed \$150,000.

6.4.1 Conditions for Using Sealed Bids. HCHA shall use the sealed bid method if the following conditions are present: a complete, adequate, and realistic statement of work, specification, or purchase description is available; two or more responsible bidders are willing and able to compete effectively for the work; the contract can be awarded based on a firm fixed price; and the selection of the successful bidder can be made principally on the lowest price.

6.4.2 Solicitation and Receipt of Bids. An IFB is issued which includes the specifications and all contractual terms and conditions applicable to the procurement, and a statement that award will be made to the lowest responsive and responsible bidder whose bid meets the requirements of the solicitation. The IFB must state the time and place for both receiving the bids and the public bid opening. All bids received will be date and time-stamped and stored unopened in a secure place until the public bid opening. A bidder may withdraw the bid at any time prior to the bid opening.

6.4.3 Bid Opening and Award. Bids shall be opened publicly. All bids received shall be recorded on an abstract (tabulation) of bids, which shall then be made available for public inspection. If equal low bids are received from responsible bidders, selection shall be made by drawing lots or other similar random method. The method for doing this shall be stated in the IFB. If only one responsive bid is received from a responsible bidder, award shall not be made unless the price can be determined to be reasonable, based on a cost or price analysis.

6.4.4 Mistakes in Bids. Correction or withdrawal of bids may be permitted, where appropriate, before bid opening by written or telegraphic notice received in the office designated in the IFB prior to the time set for bid opening. After bid opening, corrections in bids may be permitted only if the bidder can show by clear and convincing evidence that a mistake

of a nonjudgmental character was made, the nature of the mistake, and the bid price actually intended. A low bidder alleging a nonjudgmental mistake may be permitted to withdraw its bid if the mistake is clearly evident on the face of the bid document but the intended bid is unclear or the bidder submits convincing evidence that a mistake was made. All decisions to allow correction or withdrawal of a bid shall be supported by a written determination signed by the Contracting Officer. After bid opening, changes in bid prices or other provisions of bids prejudicial to the interest of HCHA or fair competition shall not be permitted.

6.5 Competitive Proposals. Unlike sealed bidding, the competitive proposal method, also known as Request for Proposals (RFP), permits: consideration of technical factors other than price; discussion with offerors concerning offers submitted; negotiation of contract price or estimated cost and other contract terms and conditions; revision of proposals before the final contractor selection; and the withdrawal of an offer at any time up until the point of award. Award is normally made on the basis of the proposal that represents the best overall value to HCHA, considering price and other factors, e.g., technical expertise, past experience, quality of proposed staffing, etc., set forth in the solicitation and not solely the lowest price.

6.5.1 Conditions for Use. Where conditions are not appropriate for the use of sealed bidding, competitive proposals may be used. Competitive proposals are the preferred method for procuring professional services that will exceed the small purchase threshold. As detailed within Section 7.2.B of HUD Procurement Handbook 7460.8 REV 2, “Only under limited circumstances would construction services be procured by competitive proposals;” accordingly, construction services will most typically be procured utilizing the sealed bid (IFB) or small purchase procedures (QSP).

6.5.2 Form of Solicitation. Other than A/E services, developer-related services and energy performance contracting, competitive proposals shall be solicited through the issuance of an RFP. The RFP shall clearly identify the importance and relative value of each of the evaluation factors as well as any subfactors and price. A mechanism for fairly and thoroughly evaluating the technical and price proposals shall be established before the solicitation is issued. Proposals shall be handled so as to prevent disclosure of the number of offerors, identity of the offerors, and the contents of their proposals until after award. HCHA may assign price a specific weight in the evaluation factors or may consider price in conjunction with technical factors; in either case, the method for evaluating price shall be established in the RFP.

6.5.3 Evaluation. The proposals shall be evaluated only on the factors stated in the RFP. Where not apparent from the evaluation factors, HCHA shall establish an Evaluation Plan for each RFP. Generally, all RFPs shall be evaluated by an appropriately appointed Evaluation Committee. The Evaluation Committee shall be required to disclose any potential conflicts of interest and to sign a Non-Disclosure Statement. An Evaluation Report, summarizing the results of the evaluation, shall be prepared prior to award of a contract.

6.5.4 Negotiations. Negotiations shall be conducted with all offerors who submit a proposal determined to have a reasonable chance of being selected for award, unless it is determined that negotiations are not needed with any of the offerors. This determination is based on the relative score of the proposals as they are evaluated and rated in accordance with the technical and price factors specified in the RFP. These offerors shall be treated fairly and equally with respect to any opportunity for negotiation and revision of their proposals. No offeror shall be given any information about any other offeror's proposal, and no offeror shall be assisted in bringing its proposal up to the level of any other proposal. A common deadline shall be established for receipt of proposal revisions based on negotiations. Negotiations are exchanges (in either competitive or sole source environment) between HCHA and offerors that are undertaken with the intent of allowing the offeror to revise its proposal. These negotiations may include bargaining. Bargaining includes persuasion, alteration of assumptions and positions, give-and-take, and may apply to price, schedule, technical requirements, type of contract or other terms of a proposed contract. When negotiations are conducted in a competitive acquisition, they take place after establishment of the competitive range and are called discussions. Discussions are tailored to each offeror's proposal and shall be conducted by the Contracting Officer with each offeror within the competitive range. The primary object of discussions is to maximize HCHA's ability to obtain best value, based on the requirements and the evaluation factors set forth in the solicitation. The Contracting Officer shall indicate to, or discuss with, each offeror still being considered for award, significant weaknesses, deficiencies, and other aspects of its proposal (such as technical approach, past performance, and terms and conditions) that could, in the opinion of the contracting officer, be altered or explained to enhance materially the proposer's potential for award. The scope and extent of discussions are a matter of the contracting officer's judgment. The contracting officer may inform an offeror that its price is considered by HCHA to be too high or too low, and reveal the results of the analysis supporting that conclusion. It is also permissible to indicate to all offerors the cost or price that HCHA's price analysis, market research, and other reviews have identified as reasonable.

“Auctioning” (revealing one offeror’s price in an attempt to get another offeror to lower their price) is prohibited.

6.5.4 Award. After evaluation of the revised proposals, if any, the contract shall be awarded to the responsible firm whose technical approach to the project, qualifications, price and/or any other factors considered, are most advantageous to HCHA provided that the price is within the maximum total project budgeted amount established for the specific property or activity.

6.5.6 HCHA may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

6.6 Noncompetitive Proposals.

6.6.1 Conditions for Use. Procurement by noncompetitive proposals (sole- or single-source) may be used only when the award of a contract is not feasible using small purchase procedures, sealed bids, cooperative purchasing, or competitive proposals, and if one of the following applies:

6.6.1.1 The item is available only from a single source, based on a good faith review of available sources;

6.6.1.2 An emergency exists that seriously threatens the public health, welfare, or safety, or endangers property, or would otherwise cause serious injury to HCHA, as may arise by reason of a flood, earthquake, epidemic, riot, equipment failure, or similar event. In such cases, there must be an immediate and serious need for supplies, services, or construction such that the need cannot be met through any of the other procurement methods, and the emergency procurement shall be limited to those supplies, services, or construction necessary simply to meet the emergency;

6.6.1.3 HUD authorizes the use of noncompetitive proposals; or

6.6.1.4 After solicitation of a number of sources, competition is determined inadequate.

6.6.2 Justification. Procurements based on noncompetitive proposals shall be supported by a written justification for the selection of this method. The justification shall be approved in writing by the responsible Contracting Officer. Poor planning or lack of planning is not justification for emergency or sole-source procurements. The justification, to be included in the procurement file, should include (when applicable) the following information:

- 6.6.2.1** Description of the requirement;
- 6.6.2.2** History of prior purchases and their nature (competitive vs. noncompetitive);
- 6.6.2.3** The specific exception in 2 CFR §200.320(f)(1)-(4) which applies;
- 6.6.2.4** Statement as to the unique circumstances that require award by noncompetitive proposals;
- 6.6.2.5** Description of the efforts made to find competitive sources (advertisement in trade journals or local publications, phone calls to local suppliers, issuance of a written solicitation, etc.);
- 6.6.2.6** Statement as to efforts that will be taken in the future to promote competition for the requirement;
- 6.6.2.7** Signature by the Contracting Officer's supervisor (or someone above the level of the Contracting Officer); and
- 6.6.2.8** Price Reasonableness. The reasonableness of the price for all procurements based on noncompetitive proposals shall be determined by performing an analysis, as described in this Policy.

6.7 Cooperative Purchasing/Intergovernmental Agreements. HCHA may enter into State and/or local cooperative or intergovernmental agreements to purchase or use common supplies, equipment, or services. The decision to use an interagency agreement instead of conducting a direct procurement shall be based on economy and efficiency. If used, the interagency agreement shall stipulate who is authorized to purchase on behalf of the participating parties and shall specify inspection, acceptance, termination, payment, and other relevant terms and conditions. HCHA may use Federal or State excess and surplus property instead of purchasing new equipment and property if feasible and if it will result in a reduction of project costs. The goods and services

obtained under a cooperative purchasing agreement must have been procured in accordance with 2 CFR §200.317 through §200.326.

7.0 INDEPENDENT COST ESTIMATE (ICE)

7.1 General. For all purchases above the micro purchase threshold, HCHA shall prepare an ICE prior to solicitation. The level of detail shall be commensurate with the cost and complexity of the item to be purchased.

8.0 COST AND PRICE ANALYSIS (CPA)

8.1 General. HCHA shall require assurance that, before entering into a contract, the price is reasonable, in accordance with the following instructions.

8.1.1 Petty Cash and Micro Purchases. No formal cost or price analysis is required. Rather, the execution of a contract by the Contracting Officer (through a purchase order or other means) shall serve as the Contracting Officer's determination that the price obtained is reasonable, which may be based on the Contracting Officer's prior experience or other factors.

8.1.2 Small Purchases. A comparison with other offers shall generally be sufficient determination of the reasonableness of price and no further analysis is required. If a reasonable number of quotes are not obtained to establish reasonableness through price competition, the Contracting Officer shall document price reasonableness through other means, such as prior purchases of this nature, catalog prices, the Contracting Officer's personal knowledge at the time of purchase, comparison to the ICE, or any other reasonable basis.

8.1.3 Sealed Bids. The presence of adequate competition should generally be sufficient to establish price reasonableness. Where sufficient bids are not received, and when the bid received is substantially more than the ICE, and where HCHA cannot reasonably determine price reasonableness, HCHA must conduct a cost analysis, consistent with federal guidelines, to ensure that the price paid is reasonable.

8.1.4 Competitive Proposals. The presence of adequate competition should generally be sufficient to establish price reasonableness. Where sufficient proposals are not received, HCHA must compare the price with the ICE. For competitive proposals where prices cannot be easily compared among offerors, where there is not adequate competition, or where the price is substantially greater than the ICE, HCHA must conduct a cost analysis, consistent with Federal guidelines, to ensure that the price paid is reasonable.

8.1.5 Contract Modifications. A cost analysis, consistent with Federal guidelines, shall be conducted for all contract modifications for projects that were procured through Sealed Bids, Competitive Proposals, or Non-Competitive Proposals, or for projects originally procured through Small Purchase procedures and the amount of the contract modification will result in a total contract price in excess of \$150,000.

9.0 SOLICITATION AND ADVERTISING

9.1 Method of Solicitation.

9.1.1 Petty Cash and Micro Purchases. HCHA may contact only one source if the price is considered reasonable.

9.1.2 Small Purchases. Quotes may be solicited orally, through fax, e-procurement, or by any other reasonable method.

9.1.3 Sealed Bids and Competitive Proposals. Solicitation must be done publicly. HCHA must use one or more following solicitation methods, provided that the method employed provides for meaningful competition.

9.1.4 Advertising in newspapers or other print mediums of local or general circulations.

9.1.5 Advertising in various trade journals or publications (for construction).

9.1.6 E-Procurement. HCHA may conduct its public procurements through the Internet using e-procurement systems. However, all e-procurements must otherwise be in compliance with 2 CFR §200.317 through §200.326, State and local requirements, and HCHA's procurement policy.

9.1.7 Advertising on the HCHA website.

9.2 Time Frame. For purchases of more than \$150,000, the public notice should run not less than once each week for two consecutive weeks.

9.3 Form. Notices/advertisements should state, at a minimum, the place, date, and time that the bids or proposals are due, the solicitation number, a contact that can provide a copy of, and information about, the solicitation, and a brief description of the needed items(s).

9.4 Time Period for Submission of Bids. A minimum of 14 days shall be provided for preparation and submission of sealed bids and competitive proposals.

9.5 Cancellation of Solicitations.

9.5.1 An IFB, RFP, or other solicitation may be cancelled before bids/offers are due if:

9.5.1.1 The supplies, services or construction is no longer required;

9.5.1.2 The funds are no longer available;

9.5.1.3 Proposed amendments to the solicitation are of such magnitude that a new solicitation would be best; or

9.5.1.4 Other similar reasons.

9.5.2 A solicitation may be cancelled and all bids or proposals that have already been received may be rejected if:

9.5.2.1 The supplies or services (including construction) are no longer required;

9.5.2.2 Ambiguous or otherwise inadequate specifications were part of the solicitation;

9.5.2.3 All factors of significance to HCHA were not considered;

9.5.2.4 Prices exceed available funds and it would not be appropriate to adjust quantities to come within available funds;

9.5.2.5 There is reason to believe that bids or proposals may not have been independently determined in open competition, may have been collusive, or may have been submitted in bad faith; or

9.5.2.6 For good cause of a similar nature when it is in the best interest of HCHA.

9.5.3 The reasons for cancellation shall be documented in the procurement file and the reasons for cancellation and/or rejection shall be provided upon request.

9.5.4 A notice of cancellation shall be sent to all bidders/offerors solicited and, if appropriate, shall explain that they will be given an opportunity

to compete on any re-solicitation or future procurement of similar items.

9.5.5 If all otherwise acceptable bids received in response to an IFB are at unreasonable prices an analysis should be conducted to see if there is a problem in either the specifications or HCHA's cost estimate. If both are determined adequate and if only one bid is received and the price is unreasonable, the Contracting Officer may cancel the solicitation and either

9.5.5.1 Re-solicit using an RFP; or

9.5.5.2 Complete the procurement by using the competitive proposal method. The Contracting Officer must determine, in writing, that such action is appropriate, must inform all bidders of HCHA's intent to negotiate, and must give each bidder a reasonable opportunity to negotiate.

9.5.6 If problems are found with the specifications, HCHA should cancel the solicitation, revise the specifications and re-solicit using an IFB.

9.6 Credit (or Purchasing) Cards. Credit card usage should follow the rules for all other small purchases. For example, the Contracting Officer may use a credit card for Micro purchases without obtaining additional quotes provided the price is considered reasonable. However, for amounts above the Micro purchase level, the Contracting Officer would generally need to have obtained a reasonable number of quotes before purchasing via a credit card. When using credit cards, HCHA shall adopt reasonable safeguards to assure that they are used only for intended purposes (for instance, limiting the types of purchases or the amount of purchases that are permitted with credit cards).

10.0 BONDING REQUIREMENTS

10.1 General. The standards under this section apply to construction contracts that exceed \$100,000. There are no bonding requirements for small purchases or for competitive proposals. HCHA may require bonds in these latter circumstances when deemed appropriate; however, non-construction contracts should generally not require bid bonds.

10.1.1 Bid Bonds. For construction contracts exceeding \$150,000, offerors shall be required to submit a bid guarantee from each bidder equivalent to 5% of the bid price.

10.1.2 Payment Bonds. For construction contracts exceeding \$150,000, the successful bidder shall furnish an assurance of completion. This assurance may be any one of the following four:

- 10.1.2.1** A performance and payment bond in a penal sum of 100% of the contract price; or
- 10.1.2.2** Separate performance and payment bonds, each for 50% or more of the contract price; or
- 10.1.2.3** A 20 % cash escrow; or
- 10.1.2.4** A 25 % irrevocable letter of credit.

These bonds must be obtained from guarantee or surety companies acceptable to the U. S. Government and authorized to do business in the State of Texas. Individual sureties shall not be considered. U. S. Treasury Circular Number 570 lists companies approved to act as sureties on bonds securing Government contracts, the maximum underwriting limits on each contract bonded, and the States in which the company is licensed to do business. Use of companies on this circular is mandatory.

11.0 CONTRACTOR QUALIFICATIONS AND DUTIES

11.1 Contractor Responsibility

- 11.1.1** HCHA shall not award any contract until the prospective contractor, i.e., lowest responsive bidder or successful offeror, has been determined to be responsible. A responsible bidder/offeror must:
 - 11.1.1.1** Have adequate financial resources to perform the contract, or the ability to obtain them;
 - 11.1.1.2** Be able to comply with the required or proposed delivery or performance schedule, taking into consideration all of the bidder's/offeror's existing commercial and governmental business commitments;
 - 11.1.1.3** Have a satisfactory performance record;
 - 11.1.1.4** Have a satisfactory record of integrity and business ethics;
 - 11.1.1.5** Have the necessary organization, experience, accounting and operational controls, and technical skills, or the ability to obtain them;
 - 11.1.1.6** Have the necessary production, construction, and technical equipment and facilities, or the ability to obtain them; and,

11.1.1.7 Be otherwise qualified and eligible to receive an award under applicable laws and regulations, including not be suspended, debarred or under a HUD-imposed Limited Denial of Participation (LDP).

11.1.2 If a prospective contractor is found to be not responsible, a written determination of non-responsibility shall be prepared and included in the official contract file, and the prospective contractor shall be advised of the reasons for the determination.

11.2 Suspension and Debarment. Contracts shall not be awarded to debarred, suspended, or ineligible contractors. Contractors may be suspended, debarred, or determined to be ineligible by HUD in accordance with HUD regulations (2 CFR §200.317 through §200.326) or by other Federal agencies, e.g., Department of Labor (DOL) for violation of labor regulations, when necessary to protect housing authorities in their business dealings. Prior to issuance of a contract, HCHA staff shall, as detailed within Section 10.2.H.1 and 10.2.H.2 of HUD Procurement Handbook 7460.8 REV 2, conduct the required searches within the HUD Limited Denial of Participation (LDP) system and the U.S. General Services Administration (GSA) Excluded Parties Listing Service system and place within the applicable contract file a printed copy of the results of each such search.

12.0 CONTRACT PRICING ARRANGEMENTS

12.1 Contract Types. Any type of contract which is appropriate to the procurement and which will promote the best interests of HCHA may be used, **provided the cost -plus-a-percentage-of-cost and percentage-of-construction-cost methods are not used.** All solicitations and contracts shall include the clauses and provisions necessary to define the rights and responsibilities of both the contractor and HCHA.. For all cost reimbursement contracts, HCHA must include a written determination as to why no other contract type is suitable. Further, the contract must include a ceiling price that the contractor exceeds at its own risk.

12.2 Options. Options for additional quantities or performance periods may be included in contracts, provided that:

12.2.1 The option is contained in the solicitation;

12.2.2 The option is a unilateral right of HCHA;

12.2.3 The contract states a limit on the additional quantities and the overall term of the contract;

12.2.4 The options are evaluated as part of the initial competition;

- 12.2.5 The contract states the period within which the options may be exercised;
- 12.2.6 The options may be exercised only at the price specified in or reasonably determinable from the contract; and
- 12.2.7 The options may be exercised only if determined to be more advantageous to HCHA than conducting a new procurement.

13.0 CONTRACT CLAUSES

- 13.1 **Contract Pricing Arrangements.** All contracts shall identify the contract pricing arrangement as well as other pertinent terms and conditions, as determined by HCHA.
- 13.2 **Contract Renewals.** Unless otherwise provided, all contracts may be renewed for a maximum of four years.
- 13.3 **Required Forms.** Additionally, the forms HUD-5369; 5369-A; 5369-B; 5369; 5370; 5370-C (Sections I and II); 51915; and 51915-A, which contain all HUD-required clauses and certifications for contracts of more than \$150,000, as well as any forms/clauses as required by HUD for small purchases, shall be used, as applicable, in all corresponding solicitations and contracts issued by HCHA.
- 13.4 **Required Contract Clauses:** HCHA shall ensure that each contract executed by the Agency contains the required contract clauses detailed within 2 CFR §200.326 and Appendix II.

14.0 CONTRACT ADMINISTRATION

- 14.1 **General.** HCHA shall maintain a system of contract administration designed to ensure that contractors perform in accordance with their contracts. These systems shall provide for inspection of supplies, services, or construction, as well as monitoring contractor performance, status reporting on major projects including construction contracts, and similar matters. For cost-reimbursement contracts, costs are allowable only to the extent that they are consistent with the cost principles in HUD Handbook 2210.18.

15.0 SPECIFICATIONS

- 15.1 **General.** All specifications shall be drafted so as to promote overall economy for the purpose intended and to encourage competition in satisfying HCHA's needs. Specifications shall be reviewed prior to issuing any solicitation to ensure that they are not unduly restrictive or represent unnecessary or duplicative items. Function or performance specifications are preferred. Detailed product specifications shall be avoided whenever possible. Consideration shall be given to

consolidating or breaking out procurements to obtain a more economical purchase. For equipment purchases, a lease versus purchase analysis should be performed to determine the most economical form of procurement.

15.2 Limitation. The following types of specifications shall be avoided:

15.2.1 Geographic restrictions not mandated or encouraged by applicable Federal law (except for A/E contracts, which may include geographic location as a selection factor if adequate competition is available);

15.2.2 Brand name specifications (unless the specifications list the minimum essential characteristics and standards to which the item must conform to satisfy its intended use).

Nothing in this procurement policy shall preempt any State licensing laws. Specifications shall be reviewed to ensure that organizational conflicts of interest do not occur.

16.0 APPEALS AND REMEDIES

16.1 General. HCHA will attempt to resolve all contractual issues informally and without litigation. Disputes will not be referred to HUD unless all administrative remedies have been exhausted. When appropriate, a mediator may be used to help resolve differences.

16.2 Informal Appeals Procedure. HCHA shall adopt an informal bid protest/appeal procedure for contracts of \$150,000 or less. Under these procedures, the bidder/contractor may request to meet with the appropriate Contract Officer.

16.3 Formal Appeals Procedure. A formal appeals procedure shall be established for solicitations/contracts of more than \$150,000.

16.3.1 Bid Protest. Any actual or prospective contractor may protest the solicitation or award of a contract for serious violations of the principles of this Policy. Any protest against a solicitation must be received before the due date for the receipt of bids or proposals, and any protest against the award of a contract must be received within ten (10) calendar days after the contractor receives notice of the contract award, or the protest will not be considered. All bid protests shall be in writing, submitted to the Contracting Officer or designee, who shall issue a written decision on the matter. The Contracting Officer may, at his/her discretion, suspend the procurement pending resolution of the protest if the facts presented so warrant.

16.3.2 Contractor Claims. All claims by a contractor relating to performance of a contract shall be submitted in writing to the

Contracting Officer for a written decision. The contractor may request a conference on the claim. The Contracting Officer's decision shall inform the contractor of its appeal rights to the next higher level of authority in HCHA. Contractor claims shall be governed by the changes clause in the relevant form HUD-5370.

17.0 ASSISTANCE TO SMALL AND OTHER BUSINESSES

17.1 Required Efforts. Consistent with Presidential Executive Orders 11625, 12138, and 12432, and Section 3 of the HUD Act of 1968, all feasible efforts shall be made to ensure that small and minority-owned businesses, women's business enterprises, and other individuals or firms located in or owned in substantial part by persons residing in the area of the HCHA project are used when possible. Such efforts may include, but not be limited to:

17.1.1 Including such firms, when qualified, on solicitation mailing lists;

17.1.2 Encouraging their participation through direct solicitation of bids or proposals whenever they are potential sources;

17.1.3 Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by such firms;

17.1.4 Establishing delivery schedules, where the requirement permits, which encourage participation by such firms;

17.1.5 Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce;

17.1.6 Including in contracts, to the greatest extent feasible, a clause requiring contractors, to provide opportunities for training and employment for lower income residents of the project area and to award subcontracts for work in connection with the project to business concerns which provide opportunities to low-income residents, as described in 24 CFR § 135 (so-called Section 3 businesses); and

17.1.7 Requiring prime contractors, when subcontracting is anticipated, to take the positive steps listed above.

17.2 Goals. Goals shall be established periodically for participation by small businesses, minority-owned businesses, women-owned business enterprises, labor surplus area businesses, and Section 3 business concerns in HCHA prime contracts and subcontracting opportunities.

17.3 Definitions.

- 17.3.1** A small business is defined as a business that is: independently owned; not dominant in its field of operation; and not an affiliate or subsidiary of a business dominant in its field of operation. The size standards in 13 CFR § 121 should be used to determine business size.
- 17.3.2** A minority-owned business is defined as a business which is at least 51% owned by one or more minority group members; or, in the case of a publicly-owned business, one in which at least 51% of its voting stock is owned by one or more minority group members, and whose management and daily business operations are controlled by one or more such individuals. Minority group members include, but are not limited to Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans, Asian Indian Americans, and Hasidic Jewish Americans.
- 17.3.3** A women’s business enterprise is defined as a business that is at least 51% owned by a woman or women who are U.S. citizens and who control and operate the business.
- 17.3.4** A “Section 3 business concern” is as defined under 24 CFR § 135.
- 17.3.5** A labor surplus area business is defined as a business which, together with its immediate subcontractors, will incur more than 50% of the cost of performing the contract in an area of concentrated unemployment or underemployment, as defined by the DOL in 20 CFR § 654, Subpart A, and in the list of labor surplus areas published by the Employment and Training Administration.

18.0 BOARD APPROVAL OF PROCUREMENT ACTIONS

- 18.1 Authority.** The Board appoints and delegates procurement authority to the Executive Director/CEO in the amount not to exceed \$25,000 and is responsible for ensuring that any procurement policies and procedures adopted are appropriate for HCHA. All procurements that exceed \$25,000 must have approval from the Board prior to award and/or contract execution except as provided by Section 6.0 Procurement Methods of this Policy.

19.0 DELEGATION OF CONTRACTING AUTHORITY

- 19.1 Delegation.** While the Executive Director/CEO is responsible for ensuring that HCHA’s procurements comply with this Policy, the ED/CEO may delegate in writing all procurement authority as is necessary and appropriate to conduct the business of HCHA.

19.2 Procedures. Further, and in accordance with this delegation of authority, the ED/CEO shall, where necessary, establish operational procedures (such as a procurement manual or standard operating procedures) to implement this Policy. The ED/CEO shall also establish a system of sanctions for violations of HCHA's ethical standards, consistent with Federal, State, or local law. The Board shall have full responsibility for sanctioning the ED/CEO for any violation of this Procurement Policy by the ED/CEO or by any member of the HCHA staff.

20.0 DOCUMENTATION

20.1 Required Records. HCHA must maintain records sufficient to detail the significant history of each procurement action. These records shall include, but shall not necessarily be limited to, the following:

20.1.2 Rationale for the method of procurement (if not self-evident);

20.1.2 Rationale of contract pricing arrangement (also if not self-evident);

20.1.3 Reason for accepting or rejecting the bids or offers;

20.1.4 Basis for the contract price (as prescribed in this Handbook);

20.1.5 A copy of the contract documents awarded or issued and signed by the Contracting Officer;

20.1.6 Basis for contract modifications; and

20.1.7 Related contract administration actions.

20.2 Level of Documentation. The level of documentation should be commensurate with the value of the procurement.

20.3 Record Retention. Records are to be retained for a period of three years after final payment and all matters pertaining to the contact are closed.

21.0 DISPOSITION OF SURPLUS PROPERTY

21.1 General. Property no longer necessary for HCHA's purposes (non-real property) shall be transferred, sold, or disposed of in accordance with applicable Federal, State, and local laws and regulations.

22.0 FUNDING AVAILABILITY

22.1 General. Before initiating any contract, HCHA shall ensure that there are sufficient funds available to cover the anticipated cost of the contract or modification.

APPENDIX 1. GLOSSARY OF HCHA PROCUREMENT TERMS

Acceptance: The act of an authorized representative of the Housing Authority acknowledging that the supplies or services are in conformity with the contract requirements.

Amendment: Written revision made to a solicitation.

Bargaining: In negotiation, persuasion, alteration of assumptions and positions, and give-and-take, bargaining may apply to price, schedule, technical requirements, type of contract or other terms of a proposed contract.

Bid: In the sealed bidding method of procurement, the offer submitted by a bidder.

Business Concern: A business concern is an individual or firm located within the relevant Section 3 covered project area, as determined pursuant to 24 CFR § 135. 5, listed on HUD's registry of eligible business concerns, and meeting the definition of small business below. A business concern owned in substantial part by persons residing in the area of the project is defined as a business concern which is 51% or more owned by persons residing within the Section 3 covered project, owned by persons considered by the U.S. Small Business Administration to be socially or economically disadvantaged, listed on HUD's registry of eligible business concerns, and meeting the definition of small business below.

Competitive Proposals: The competitive method of procurement used when small purchases and sealed bidding are not appropriate; under this method, the Housing Authority issues an RFP soliciting price and technical proposals from potential sources; evaluates the proposals and establishes a competitive range; negotiates with those in the competitive range; receives and evaluates best and final offers from those in the competitive range; and makes award to the contractor offering the most advantageous proposal, considering price and the technical Factors stated in the RFP.

Competitive Range: In a competitive proposals procurement (RFP), those proposals that, after evaluation by the Housing Authority, have a reasonable chance of receiving the award, both from a technical and cost standpoint.

Contract: A legal instrument providing for the purchase, lease, or barter of property or services for the direct benefit of HCHA.

Contracting Officer: The Executive Director/CEO or an official authorized in writing by the Executive Director/CEO to enter into or administer procurement contracts and make related determinations and findings.

Contract Administration: The monitoring of the contractor's performance in order to ensure compliance with performance requirements and contract terms.

Contract Modification: Any written alteration in the specifications, delivery point, date of delivery, contract period, price, quantity, or other provision of an existing contract.

Cost-Reimbursement Contract: Contract in which HCHA and a contractor agree on an estimate of contract costs and establishes a ceiling that the contractor may not exceed (except at its own risk) without the approval of the contracting officer.. HCHA agrees to reimburse the contractor for reasonable, allowable, and allocable costs necessary to complete the work. Cost-reimbursement contracts are suitable for use only when uncertainties involved in contract performance do not permit costs to be estimated with sufficient accuracy to use any type of fixed-price contract. A cost-reimbursement contract may be used only when: the contractor's accounting system is adequate for determining costs applicable to the contract; and, appropriate

surveillance during performance will provide reasonable assurance that efficient methods and effective cost controls are used.

Discussion: Negotiations conducted in a competitive acquisition that take place after establishment of the competitive range. Discussions are tailored to each offeror's proposal and shall be conducted by the Contracting Officer with each offeror within the competitive range. The primary object of discussions is to maximize HCHA's ability to obtain best value, based on the requirements and the evaluation factors set forth in the solicitation.

Firm Fixed-Price Contract: Contract that provides for a price that is not subject to any adjustment by reason of cost experience of the contractor in the performance of the contract; the preferred type of contract.

Independent Cost Estimate: A written calculation of all items included in the scope of the work, tabulated under appropriate cost headings (direct costs, labor, overhead, and profit).

Inspection: The examination and testing of supplies and services to determine whether they conform to contract requirements.

Invitation for Bids (IFB): Under the sealed bidding method of procurement, the written solicitation document that explains what the Housing Authority is buying and requests bids from potential contractors.

Labor Surplus Area Business: A labor surplus area business is a business which, together with its immediate subcontractors, will incur more than 50% of the cost of performing the contract in an area of concentrated unemployment or underemployment, as defined by the DOL in 20 CFR Part 654, Subpart A, and in its list of labor surplus areas published by the Employment and Training Administration.

Minority-owned Business: A minority-owned business is a business which is at least 51% owned by one or more minority group members, or in the case of a publicly-owned business, one in which at least 51% of its voting stock is owned by one or more minority group members, and whose management and daily business operations are controlled by one or more such individuals. Minority group members include, but are not limited to, Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans, Asian Indian Americans, and Hasidic Jewish Americans.

Modification: A written revision or change to the contract.

Negotiation: Exchanges, including bargaining, in either competitive or sole source environment, between HCHA and offerors that are undertaken with the intent of allowing the offeror to revise its proposal. When negotiations are conducted in a competitive acquisition, they take place after establishment of the competitive range and are called discussions.

Noncompetitive Proposals: The method of procurement in which HCHA solicits proposal(s) from only one source or a limited number of sources if justified in writing for one of the following reasons: the item is available only from a single source; public emergency will not allow enough time for a competitive procurement; inadequate response is received to a competitive solicitation; or HUD approves the use of noncompetitive proposals.

Proposal: In the competitive proposals or noncompetitive proposals method of procurement, the offer submitted by a potential contractor.

Qualifications-Based Selection (QSB): A form of procurement of architect/engineering services by competitive proposals in which price is neither requested in the RFP nor used as an

evaluation factor; instead, technical qualifications only are reviewed and a fair and reasonable price negotiated with the best qualified firm.

Quote or Quotation: In the small purchase method of procurement, the price or offer submitted by a prospective responsible vendor.

Request for Proposals (RFP): Under the competitive proposals method of procurement, HCHA's written solicitation to prospective offerors to submit a proposal based on the terms and conditions set forth therein. Proposal evaluation and contractor selection are based on the factors for award as stated in every competitive RFP.

Responsive Bid: One that conforms exactly to the requirements in the Invitation for Bids (IFB).

Sealed Bidding: The procurement method in which HCHA requests competitive sealed bids. This method of procurement requires that specifications be written describing the requirements of the Government clearly, accurately, and completely; a public bid opening is held; an evaluation of bids and award of the contract are based on the lowest bid submitted by a responsive and responsible contractor.

Small Business: A small business is a business which is independently owned, not dominant in its field of operation, and not an affiliate or subsidiary of a business dominant in its field of operation.

Small Purchases: Purchase of supplies and non-personal services that do not exceed HCHA's dollar limitation (\$150,000) in the aggregate.

Specifications: Clear and accurate description of the technical requirements of a service or supply contract.

Statement of Work: Written definition of work to be performed that establishes standards sought for the goods or services to be supplied, typically used for service contracts.

Termination for Convenience: Termination of a contract by the Housing Authority on a unilateral basis when it no longer needs or requires the products or services, or when it is in the best interests of the Housing Authority.

Termination for Default: Termination of a contract when the contractor fails to perform or fails to make progress so as to endanger performance.

Women's Business Enterprise: A business that is at least 51% owned by a woman or women who are U.S. citizens and who also control or operate the business.

APPENDIX 2. PROCUREMENT FILE CHECKLIST

The following table lists the types of documentation that generally should be included in the contract file for each procurement. Note, however, that the circumstances of each procurement will dictate the documentation required. For example, an RFP for Property Management Services would not necessarily require a separate cost analysis if there were an ample number of price proposals and the costs (management fees) were within the range established in the ICE. Similarly, for small purchases, the issuance of a purchase order will likely serve as a Notice to Proceed; however, for some very technical services acquired under small purchases, the PHA might want to hold a post-award meeting and then issue a Notice to Proceed. In all, the contract file should contain all significant documentation relating to the specific procurement. Any shaded item would generally not apply for that type of purchase. Bolded items must be included in the contract file.

Item	Micro Purchase \$250 - \$2999	Small Purchase \$3000 – \$99,999	Sealed Bid \$150,000 and above	Competitive Proposals \$150,000 and above	Non- Competitive Proposals
Pre-Solicitation					
Independent Cost Estimate		x	x	x	
Individual Procurement Plan			x	x	
Rationale for Contract Method (if not apparent)			x	x	
Rationale for Contract Type (if not apparent)			x	x	
Evaluation Plan			x	x	
Solicitation					
Sources (mailing lists, advertisements, etc.)		x	x	x	x
Solicitation Notice and Amendments		x	x	x	x
IFB/RFP			x	x	x
Notes of Pre-Bid/Proposal Conferences			x	x	x
IFB/RFP Correspondences			x	x	x
Record of Bids/RFPs Requested		x	x	x	x
Quotes, Bids or Proposals Received	x	x	x	x	x
Justification for Other than Full/Open Competition					x
Evaluation					
Bid Opening			x	x	
Evaluation Panel Disclosures and			x	x	

Ethics Statement					
Technical Evaluation		X		X	
Price Evaluation	X	X	X	X	X
Competitive Range Determinations				X	
Evaluation Report		X		X	
Memo of Negotiation and Selection Decision				X	
Pre-award Survey and Responsibility Determinations		X	X	X	X
SAM (System for Award Management)					
Conflict of Interest Questionnaire Form	X	X	X	X	X
Award					
Board Approval: If > \$25,000		X	X	X	X
Contract and Award Documents		X	X	X	X
Notification to Unsuccessful Bidders		X	X	X	
Appeals (all correspondence)		X	X	X	
Post-Award and Contract Administration					
Insurance and Bonding Requirements			X	X	X
Records of Post-Award Conferences			X	X	X
Notice to Proceed			X	X	X
Contract Modifications and Supporting Documentation	X	X	X	X	X
General Contract Correspondence	X	X	X	X	X
Payment Record/Documentation	X	X	X	X	X
Inspections and Field Reports	X	X	X	X	X
Completion Certificate		X	X	X	X

APPENDIX 3. SAMPLE ADVERTISEMENT

The Harris County Housing Authority (HCHA) invites sealed bids from contractors for commode removal/replacement at **Vandross Manor, located at 56 Music Lane, Houston, Texas, USA, 77054**. The work consists of the replacing toilets at all 150 units in accordance with the documents prepared by Maurice Plumbing.

Bids are subject to State Law.

Bids will be received until **2:00 P.M.** on **MM/DD/YY** and publicly opened, forthwith at Harris County Housing Authority, Finance Department, 8933 Interchange, Houston , Texas 77054. General bids shall be accompanied by a bid deposit that is not less than five (5%) of the greatest possible bid amount (considering all alternates), and made payable to the Harris County Housing Authority.

A bid package will be available for pick-up from _____ at 8933 Interchange after **2:00 p.m., MM/DD/YY**. Cost of plans and specifications is **\$25.00**. Company checks are required.

THE JOB SITE AND/OR EXISTING BUILDING WILL BE AVAILABLE FOR A WALK THROUGH ON MM/DD/YY AT 10:00 A.M. AT VANDROSS MANOR, 56 MUSIC LANE, HOUSTON, TX, USA. PROSPECTIVE BIDDERS SHOULD MEET AT THE ABOVE-MENTIONED ADDRESS.

APPENDIX 4. SAMPLE IFB COVER SHEET

IFB Number: _____

Date of Issuance: _____

Sealed bids will be accepted at the Harris County Housing Authority (HCHA) Office, until the date and time noted below. Bids will be publicly opened and recorded immediately thereafter in the Board Room, 8933 Interchange, Houston, Texas, USA, 77054.

Pre-Bid Meeting will be held: _____ (date) _____ (time)

Bid Opening: _____ (date) _____ (time)

Finance Department
8933 Interchange
Houston, Texas 77054

Point of Contact: _____ (713) 578-2100

Table of Contents:

- A. Bid/Price Form
- B. Specifications/Scope of Work
- C. Instructions to Bidders
- D. Required Certifications
- E. General Contract
- F. Other Attachments

APPENDIX 5. SAMPLE SOLICITATION AMENDMENT

**HARRIS COUNTY HOUSING AUTHORITY
FINANCE DEPARTMENT
8933 INTERCHANGE DRIVE
HOUSTON, TEXAS 77054**

1. Amendment number:
2. Issued by:
3. Amendment of solicitation number: _____ dated: _____
4. The hour and date specified for receipt of bids/proposals is _____ is not _____ extended to the following new hour and date:
5. The above-numbered solicitation is amended as set forth below. Bidders/offerors must acknowledge receipt of this amendment prior to the hour and date specified for receipt of bids/proposals, by signing this form below or by completing the acknowledgement on the form titled "Solicitation, Bid/Proposal and Award."
6. Description of amendment:

{Cite specific sections and/or pages of the solicitation that are being amended.}

Except as provided herein, all terms and conditions of the solicitation remain unchanged and in full force and effect.
7. Name and title of signer:

Signature and date: _____

APPENDIX 6. SAMPLE NOTICE TO UNSUCCESSFUL BIDDERS

(Letterhead)

Re: IFB# _____

1. Receipt of your bid is acknowledged in response to our invitation for bid referenced above.
2. The contract was awarded after competition by sealed bidding to the lowest responsive and responsible bidder. The total amount of the awarded contract was \$_____. The award was made to:

(Insert Bidder Name)

3. Enclosed is the bid bond your company submitted for the above-referenced solicitation.
4. The Harris County Housing Authority appreciates your time and effort in preparing and submitting your bid. We hope that your firm will participate in future solicitations.

Name
Contracting Officer

Date

APPENDIX 7. SAMPLE PROCEDURES FOR EVALUATION COMMITTEES (FOR AMOUNTS ABOVE THE FEDERAL SMALL PURCHASE THRESHOLD)

INTRODUCTION

This document establishes the procedures for the evaluation review process and shall apply to the evaluation of all competitive proposals. The evaluation process must be impartial, consistent and fair.

Establishment of an Evaluation Panel

- A. A committee will be appointed by the Contracting Officer to evaluate technical proposals in accordance with a written evaluation plan. The Contracting Officer may serve as a panel member.
- B. A minimum of three persons (or a larger group having an odd number of designated voting members) must be selected.
- C. A designated chairperson shall be responsible for the deliberations of the committee and other duties as outlined below. The Contracting Officer may serve as Chairperson.
- D. Panel members who have a conflict of interest or relationship, financial or otherwise, or that may be construed as a conflict of interest, must disclose the existence of the conflict and, if necessary, excuse themselves from the panel.

Establishment of a Written Plan

Prior to the issuance of the RFP, a written plan for evaluating technical and cost proposals should be established. However, where practical, the evaluation criteria set forth in the RFP can serve as the written plan for the evaluation.

The evaluation criteria as set forth in the RFP shall be the basis for all evaluations. Factors not specified in the RFP shall not be considered.

Conduct of Evaluation

Prior to a formal meeting to discuss the proposals and evaluations, the Contracting Officer shall provide each evaluator with a copy of each qualified proposal, a rating sheet and a nondisclosure certificate, which must be executed by the panel member and returned to the Chairperson. The rating sheet will list each evaluation criterion and the weights assigned to it, as reflected in the RFP.

The evaluation committee will then meet to discuss the proposals. Initially the proposals should be compared on an individual basis, separately, against the requirements stated in the RFP, not analyzed in comparison with each other. During the evaluation, the committee members should only evaluate the content of the proposals; personal knowledge that is not based on the proposer's written submission, except for relevant past performance information, should not be part of the initial technical evaluation.

The evaluation committee members will perform the following functions: 1) review all of the proposals using as the standard the evaluation criteria as set forth in the RFP; 2) meet to discuss the evaluations, the ratings of each evaluator and the reasons for such ratings; and 3) complete the ratings sheet.

The chairperson is responsible for collecting the individual rating sheets from each committee member, preparing a summary rating sheet.

Negotiations

If necessary, negotiations will be conducted with all proposers in the competitive range. The extent of involvement of committee members in these negotiations will be determined by the Contracting Officer. These negotiations will be conducted in accordance with applicable agency policies/procedures.

Disclosure of Information

The evaluators shall not disclose any information included in any of the proposals (such as the names and number of proposers or rating scores) to anyone during the solicitation and evaluation period. Proposers submit proposals in confidence and expect their proposals and proprietary information contained therein to be protected from disclosure to other proposers or individuals. At the appropriate time, the Contracting Officer and/or his designee shall discuss information regarding the solicitation and award.

APPENDIX 8. CERTIFICATION OF NONDISCLOSURE

(FOR USE IN COMPETITIVE PROPOSALS METHOD OF PROCUREMENT)

As a condition of serving as an evaluator of offers under _____ [*insert solicitation number or other identification, e.g., task order number*], I hereby certify that I will:

- (1) Use the information¹ provided to me for the intended evaluation purposes only and will not disclose this information to any individual outside of the evaluation panel, including my supervisor or manager, without the express authorization of the evaluation panel chairperson or the Contracting Officer;
- (2) Not solicit or accept any information other than that provided to me by the evaluation panel chairperson or the Contracting Officer;
- (3) Report to the evaluation panel chairperson or the Contracting Officer any attempt by other parties to obtain from or provide to me any information described in this certification;
- (4) Honor any authorized restrictive legends placed on the information by prospective contractors or subcontractors or by the PHA and apply them to any reproductions or abstracts I may make or order to be made; and,
- (5) Return all copies of the information whether originally provided to me by HCHA or made or ordered by me in the course of my evaluation, and any abstract thereof, to the evaluation panel chairperson.

I understand that my unauthorized release of information may result in the termination of my participation in this procurement and/or administrative, civil and criminal penalties. I also understand that this certification will be made part of the source selection record and the official contract file and does not relieve me of the responsibility for any other disclosure or certification required by law, regulation or other directive.

Typed or Printed Name

Signature

Date

¹ Information includes but is not limited to the acquisition strategy, acquisition timeline, source selection criteria, evaluation plan, identity and number of offers, contents of offers, evaluation results and other documentation resulting from the evaluation process.

**APPENDIX 9. SAMPLE CHECKLIST FOR
DETERMINATION OF CONTRACTOR RESPONSIBILITY**

Public Housing Agency Name: _____

Solicitation Number: _____

Contractor Name and Address: _____

Circle all applicable statements:

1. A review of the GSA and HUD websites data dated _____ has been conducted and the contractor does/ does not appear as suspended, debarred or operating under a Limited Denial of Participation (LDP).
2. The Contractor has/ has not performed satisfactorily on other contract(s) awarded by this PHA.
3. A survey of other agencies and companies doing business with the contractor was performed. Adverse/ no adverse information has been received that would bring the contractor's present responsibility and technical capability into question. List the agencies/companies contacted, dated contacted and person providing information.
4. A review of the Contractor's financial and technical resources indicates/ does not indicate that it is capable of performing the contract. List documentation reviewed.
5. State/local government agencies were contacted, and the contractor does/ does not have a record of any outstanding code violations, improper business practices, or similar history of non-compliance with public policy. List agencies contacted.
6. Other pertinent information received does/ does not affect the Contractor's responsibility. List parties contacted and results of contact (e.g., Better Business Bureau, Business Licenses, Dunn and Bradstreet, other credit agencies).

In accordance with 2 CFR § 200.318, the contractor is considered to be responsible/ non-responsible and possesses/ does not possess the ability to successfully perform under the terms and conditions of this contract.

Name of Contracting Officer

Signature

Date

APPENDIX 10. GUIDELINES FOR CONDUCTING COST ANALYSIS

A cost or price analysis must be performed in connection with every procurement action including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation. An independent estimate must be made before receiving bids or proposals.

- When evaluating competitive proposals;
- When there is a sole source (or non-competitive proposal);
- When after soliciting bids, only one bid is received, the PHA does not have sufficient data on costs to establish price reasonableness (such as prior purchases of similar nature), and the PHA is considering making an award to the sole bidder;
- When negotiating modifications to contracts that impact the price or estimated cost;
- When terminating a contract and the contractor is entitled to payment of reasonable costs incurred as a result of termination; or
- When awarding a cost-reimbursement contract.

The following lists the basic steps in conducting a cost analysis (please refer to Chapter 10 for more when a cost analysis is required):

- A. Verify cost and price information, including:
 1. The necessity for, and reasonableness of, the proposed cost;
 2. Technical evaluation or appraisal of the proposed direct cost elements;
 3. Application of audited or pre-negotiated indirect cost rates, direct labor rates, etc.;
- B. Evaluate the effect of the offeror/contractor's current practices on future costs;
- C. Compare costs proposed by the offeror/contractor with the following:
 1. Actual costs previously incurred by the same firm;
 2. Previous cost estimates from the same firm or other firms for the same or similar items;
 3. The methodology to be used to perform the work (are the costs consistent with the technical approach being proposed?);
 4. The independent cost estimate (ICE).
- D. Verify that the offeror/contractor's cost proposal complies with the appropriate cost principles;
- E. Verify that costs are allowable, allocable, and reasonable.

The major categories of costs are:

- A. Direct Costs, which include:
 1. Direct Labor (personnel)
 2. Equipment
 3. Supplies
 4. Travel and Per Diem
 5. Subcontractors
 6. Other Direct Costs

Cost Proposal	Cost Principle
For-Profit or commercial organization	FAR Part 31
State or local governments	OMB Circular A-87
Private, non-profit organizations	OMB Circular A-122
Educational institutions	OMB Circular A-21

- B. Indirect Costs, which include:
1. Overhead
 2. General and Administrative Expenses
 3. Profit (or Fee)

In the process of analyzing costs, profit should be analyzed separately. In analyzing profit, consideration should be given to:

- A. Complexity of the work to be performed;
- B. Contractor's risk in performing the contract;
- C. Contractor's investment in the contracted effort;
- D. Amount of subcontracting;
- E. Contractor's record of past performance; and
- F. Industry profit rates in the general area for similar work.

Remember: The objective is to establish overall cost reasonableness and not the reasonableness of individual components.

APPENDIX 11. SAMPLE NOTICE TO PROCEED

PHA NAME: _____

DATE: _____

To: Contractor name and address

Re: Contract Number
Project name/description

NOTICE TO PROCEED

Pursuant to the terms of the above contract, you are hereby notified to commence work at the start of business on (date). The time for completion, including the starting day, as established by the contract, is (date).

It is the responsibility of the contractor to meet the schedule as set forth and in accordance with the terms and conditions of the contract. Failure to comply with the schedule will result in the enforcement of the liquidated damages stated in the contract.

Please note carefully and fulfill the requirements of the contract regarding the submittal and approval of Workmen's Compensation and Manufacturers' and Contractors' Public Liability Insurance.

The contractor shall also contact the PHA in writing within three days prior to mobilization on the project to enable the PHA to coordinate this work with others.

The contractor shall within ten days after receipt of this notice send to the PHA copies of all required permits for work to be performed under this contract. Failure to comply with these instructions shall constitute a breach of contract.

Your cooperation on this construction to its conclusion is of the utmost importance to the PHA.

Sincerely,

Contracting Officer

cc: Contract File
Other PHA Files

APPENDIX 12. DISADVANTAGED BUSINESS ENTERPRISE RESOURCE LIST

- **Small Business Development Centers (SBDC)**
SBDC provide businesses with management, marketing and financial counseling. The centers assist in the development of business and marketing plans, improving business ownership skills, financial analysis of businesses, accessing specialized services including export and government marketing and other business management needs.
- **Women's Business Centers (WBC)**
Each women's business center provides assistance and/or training in finance, management, marketing, procurement and the internet, as well as addressing specialized topics such as home-based businesses corporate executive downsizing and welfare-to-work. All provide individual business counseling and access to the SBA's programs and services; a number of centers are also intermediaries for the SBA's MicroLoan and Loan Prequalification programs. Each WBC tailors its programs to the needs of its constituency; many offer programs and counseling in two or more languages.
- **Minority Business Development Centers (MBDC)**
The MBDC's provide business development services to aid in the creation, expansion and preservation of minority-owned businesses. It is *MBDC's* largest client services program and is structured to cover areas that contain approximately 80% of the country's minorities.
- **Native American Business Development Centers**
The Minority Business Development Agency established the Native American Program (NAP) to address the special problems of the Native American firms and individuals interested in entering, maintaining, or expanding their efforts in the competitive marketplace.
- To view a list of over 800 Trade Associations and similar organizations, visit the HUD OSDBU website at: www.HUD.gov/offices/OSDBU
- To locate local SBA District/Field offices, SBDC and other resources, visit SBA's website at: www.SBA.gov/regions/states.html
- To locate local MBDA regional offices, MBDCs and other resources, visit MBDA's website at: www.MBDA.gov
- The SBA, DOD, the Office of Management & Budget and GSA created an integrated database of small businesses called Central Contractor Registration (CCR). CCR can provide you with listings of small businesses that offer the products and services that you procure. Visit www.ccr.gov
- To facilitate searches for small businesses in particular industries, refer to the North American Industry Classification System (NAICS). Visit the website at: <http://naics.com>
- To assist you in advertising your contracting opportunities, include your upcoming contracting requirements in MBDA's "Opportunity Database" called Phoenix. Phoenix matches MBE's with contracts and other business opportunities via e-mail at: www.MBDA.gov