

Procurement Policy for Gainesville Housing Authority

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1. General Provisions

This Procurement Policy was established for the Gainesville Housing Authority (GHA) by Board Resolution No. XXX on XXXXX. This Statement of Procurement Policy complies with HUD's Handbook, "Procurement Handbook for Public Housing Agencies," the procurement standards of HUD 24 CRD 85.36, and State and Local laws.

a) Scope of Policy

- i) The purpose of this Procurement Policy (Policy) is to: provide for the fair and equitable treatment of all persons or firms involved in purchasing by the GHA; assure that supplies, equipment, services, and construction are procured efficiently, effectively, and at the most favorable prices available to the GHA; promote competition in contracting; provide safeguards for maintaining a procurement system of quality and integrity; and assure that GHA purchasing actions are in full compliance with applicable Federal standards, HUD regulations, and State and Local laws.
- ii) This Procurement Policy applies to all contracts for the procurement of services, supplies and construction, entered into by the GHA after the effective date of this Policy. It shall apply to every expenditure of funds by the GHA for public purchasing, irrespective of the source of funds, including contracts which do not involve an obligation of funds (such as concession contracts); however, nothing in this Policy shall prevent the GHA from complying with the terms and conditions of any grant, contract, gift or bequest that is otherwise consistent with law.

b) Procurement Thresholds

- i) The GHA shall follow the procurement thresholds and methods established by HUD, as amended from time to time. The current thresholds are:
 - (1) Micro-purchases: up to \$10,000
 - (2) Small purchases: between \$10,000 and \$250,000
 - (3) Sealed bids: over \$250,000
 - (4) Competitive proposals: over \$250,000
 - (5) Noncompetitive proposals: only under certain circumstances
- ii) The GHA shall monitor the changes in the procurement thresholds and update its own thresholds accordingly. If the Federal Office of Management and Budget raises the procurement thresholds, the GHA shall adopt the new thresholds and use them for its procurement activities, unless otherwise prohibited by state or local law.

c) **Procurement Definition**

- i) Procurement is the process of acquiring goods, services, or construction by contract. It includes all functions that pertain to obtaining any type of procurement, including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration. 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) Public Access to Information

- a) If, under this Agreement, the VENDOR is providing services and is acting on behalf of GHA as provided under Florida Statutes Section 119.011(2), the VENDOR shall comply with public records laws, and specifically shall comply with the following:
 - i) Keep and maintain public records required by GHA to perform the services.
 - ii) Upon request from GHA'S custodian of public records, provide GHA with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119 Florida Statutes or as otherwise provided by law.
 - iii) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the Agreement term and following completion of the Agreement if the vendor does not transfer the records to GHA.
 - iv) Upon completion of the Agreement, transfer at no cost to GHA, all public records in possession of the vendor or keep and maintain public records required by GHA to perform the service. If the vendor transfers all public records to GHA upon completion of the Agreement, the vendor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the vendor keeps and maintains public records upon completion of the Agreement, the vendor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to GHA, upon request from GHA'S custodian of public records, in a format that is compatible with the information technology systems of GHA.
- b) Failure of the VENDOR to comply with Chapter 119, Florida Statutes, and/or the provisions set forth above, where applicable, shall be grounds for immediate unilateral termination of this Agreement by GHA.

3) Glossary of Terms

- a) **Acceptance.** The act of an authorized representative of the PHA acknowledging that the supplies or services delivered to or received by the PHA conform to contract requirements.
- b) **Alternative procurement process.** The alternative method of public housing contract award available to public housing agencies and eligible resident-owned businesses under the conditions set forth in this part.
- c) **Annual Contributions Contract (ACC).** Entered into between HUD and the PHA, setting forth terms and conditions for the operation, modernization, and development of public housing.
- d) **Anti-competitive Practices.** Actions by potential contractors that improperly reduce or eliminate competition or restrain trade. Examples are: an agreement or understanding among competitors to restrain trade, such as submitting collusive bids or proposals, rotating low bids, follow-the-leader pricing, or sharing of the business.
 - i) Competition may also be wrongfully discouraged by illicit business actions that have the effect of restraining trade, such as controlling the resale price of products or an improper collective refusal to bid (24 CFR 85.36(c)(1)).
- e) **Architect/Engineer (A/E).** Person (or company) usually responsible for developing the plans and specifications of a building or development and, in some cases, supervising the construction effort.
- f) **Bid.** The price submitted by a bidder in the sealed bidding method of procurement.
- g) **Certification.** A written assertion based on supporting evidence, which shall be kept available for inspection by the Secretary, the Inspector General, and the public, which assertion shall be deemed to be accurate for purposes of this part, unless the Secretary determines otherwise after inspecting the evidence and providing due notice and opportunity for comment.
- h) **Change Order.** A unilateral modification made to the contract by the Contracting Officer under the authority of the contract's Changes clause. Only the specific changes permitted by the particular. Changes clause may be made under a change order (e.g., modify the drawings, design, specifications, method of shipping or packaging, place of inspection, delivery, acceptance, or other such contractual requirement; see form HUD-5370). All change orders must be within the scope of the contract.

- i) **Changed Conditions.** Construction site or repair conditions that differ significantly from those indicated in the contract or from those ordinarily encountered in the performance of the specific type of work required by the contract.
- j) **Competitive Proposals.** Also called contracting by negotiation, a method of procurement using the solicitation, evaluation, and negotiation of proposals instead of sealed bids. The competitive proposal method is used for requirements exceeding the PHA's small purchase threshold when conditions are not appropriate for sealed bidding.
- k) **Competitive Range.** Those proposals submitted in response to a RFP that, after technical evaluation by the PHA's selection panel and considering the proposed costs/prices, have a reasonable chance of being awarded the contract.
- l) **Contract or public housing contract.** Any contract awarded by a GHA for services, supplies, or construction necessary for the development, operation, modernization, or maintenance of public housing.
- m) **Change Order.** A unilateral modification made to the contract by the Contracting Officer under the authority of the contract's Changes clause. Only the specific changes permitted by the particular Changes clause may be made under a change order (e.g., modify the drawings, design, specifications, method of shipping or packaging, place of inspection, delivery, acceptance, or other such contractual requirement; see form HUD-5370). All change orders must be within the scope of the contract.
- n) **Competitive Proposals.** Also called contracting by negotiation, a method of procurement using the solicitation, evaluation, and negotiation of proposals instead of sealed bids. The competitive proposal method is used for requirements exceeding the PHA's small purchase threshold when conditions are not appropriate for sealed bidding.
- o) **Contracting Officer** – The CEO or an official authorized by the CEO to enter into and/or administer contracts and make related determinations and findings.
- p) **Contract Administration** – All the actions taken with regard to a contract after its award. Administration includes monitoring the contractor's performance to ensure compliance with the contract requirements, and terms and conditions.
- q) **Contract Modification** – Any written alteration to a contract executed by an authorized contracting officer.
- r) **Contractor** – An Offeror who is awarded a contract.
- s) **Contract Pricing Arrangements** – The arrangement, as reflected in the contract, for how the vendor will be paid for services. While there are two basic contract

pricing arrangements – firm fixed-price and cost-reimbursement – there are multiple variations on these models, from indefinite quantity contracts.

- t) **Cost-Reimbursement Contract** – The contractor is reimbursed for his/her allowable costs of performance up to a total estimated amount specified in the contract. The contract may provide for the payment of a fee in addition to costs.
- u) **Excusable Delay** – A failure to perform within the contract period that is beyond the control and without fault or negligence of the contractor, as determined by the Contracting Officer.
- v) **Federal Small Purchase Threshold** – The maximum dollar amount for individual small purchases. The threshold is currently set at \$250,000.
- w) **Firm Fixed Price Contract** – The contractor is paid a firm fixed-price for all required work regardless of the contractor's actual costs of performance.
- x) **Independent Cost Estimate (ICE)** – An estimate prepared by the PHA prior to obtaining offers. The degree of analysis will depend on the size and complexity of the purchase.
- y) **Invitation for Bids (IFB)** – Solicitation type used under the sealed bidding method of procurement. This document explains the intended purchase and invites bids from potential contractors.
- z) **Joint Venture Partner** – This is a participant, other than a PHA, in a joint venture, partnership, or other business arrangement or contract for services with a PHA.
- aa) **Level-of-Effort Contract** – Contract that specifies the number and type of person-hours that the contractor will use in performance of the contract requirements.
- bb) **Management officials.** The individuals who possess the power to make the day-to-day, as well as major, decisions on matters of management, policy, and operations of the resident-owned business.
- cc) **Micro Purchases** – small purchases under \$10,000
- dd) **Negotiation** – Discussions with offerors in the competitive range regarding technical and/or price proposals when awarding a contract using the competitive proposals method of procurement or when issuing modifications to existing contracts or other required discussion with offerors for the other methods of procurement.
- ee) **Noncompetitive Proposals** – Procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate.
- ff) **Offer** – A response to a solicitation (IFB or RFP) that, if accepted, would bind the offeror to perform the resultant contract. Offers submitted under the Qualifications-Based Selection (QBS) method are called “qualifications”.

- gg) **Offeror** - The general term for the entity that submits a response to a solicitation. For the purposes of this handbook, offeror may be used interchangeably with bidder, proposer, or respondent.
- hh) **Principal**. An owner, partner, director, or management official of the resident-owned business with the power and authority to represent the business and to execute contract, leases, agreements, and other documents on behalf of the business.
- ii) **Proposal**. The offer submitted by a potential contractor in the competitive or noncompetitive proposals method of procurement.
- jj) **Public housing or public housing development**. Any public housing development which is owned by a Public Housing Agency (PHA) and is receiving funds under an Annual Contribution Contract (ACC).
- kk) **Public housing resident**. Any individual who resides in public housing as a signatory on a public housing lease, or as a member of the family of the individual(s) who is the signatory on the public housing lease.
- ll) **Quotation**. The price or cost submitted by a vendor in the small purchase procedures method.
- mm) **Resident-owned business**. Any business concern which is owned and controlled by public housing residents. (The term "resident-owned business" includes sole proprietorships.) For purposes of this part, "owned and controlled" means a business:
- i) Which is at least 51 percent owned by one or more public housing residents; and
 - ii) Whose management and daily business operations are controlled by one or more such individuals.
 - iii) All securities which constitute ownership or control of a corporation for purposes of establishing the business as a resident-owned business shall be held directly by the public housing residents. No securities held in trust, or by any guardian for a minor, shall be considered as held by the public housing resident in determining the ownership or control of a corporation.
- nn) **Request for Proposals (RFP)**. Solicitation method used under both the competitive or non-competitive methods of procurement. Proposal evaluation and contractor selection are based on the evaluation criteria and factors for award as stated in the RFP. Contract award is based on the best proposal responsive to the requirements of the statement of work resulting in the greatest benefit and best value to the PHA, which may not necessarily be primarily determined based on price.

- oo) **Sanctions.** Measures that may be invoked by HUD to exclude or disqualify contractors, PHA staff or agents acting on behalf of a PHA from participation in HUD programs (such as limited denial of participation or debarment), or measures the PHA may take regarding employees, officers, agents, or others who violate the ethical standards of the policies of the PHA (such as dismissal, reassignment, removal from position, etc.).
- pp) **Sealed Bidding.** A method of procurement by inviting sealed bids. This method requires: specifications that are clear, accurate, and complete; a public bid opening; and evaluation of bids and award of the contract based on the lowest price submitted by a responsive and responsible contractor. Sealed bidding is the preferred method for construction (24 CFR 85.36(d)(2)).
- qq) **Show Cause Letter.** A document sent by the Contracting Officer notifying a defaulting contractor that the contract may be terminated for default unless the contractor can provide adequate justification for not terminating within a specified time period (usually 10 days).
- rr) **Small Purchase Procedures** – A simplified method for acquiring supplies, materials, and services (including construction) that do not exceed the PHA's small purchase threshold. (The Federal threshold is \$250,000; PHAs are limited to this or a lower amount as specified in applicable State or local law or dictated by the PHA's Procurement Policy or imposed by HUD due to PHA's procurement performance.)
- ss) **Small Purchase Threshold.** The per purchase dollar limit established by a PHA for small purchases. The threshold is set in the PHA's procurement policy. The threshold may not exceed the Federal small purchase threshold.
- tt) **Solicitation.** The general term for the agency's request for offers from potential offerors. A solicitation package generally contains the proposed contract, including contract terms and conditions, instructions to potential offerors regarding the submission of an offer, and any other information needed to prepare an offer.
- uu) **Specifications or Scope.** Description of the technical requirements of a contract.
- vv) **Statement of Work (SOW).** Written description of work to be performed that establishes the standards sought for the supplies or services furnished under the contract; typically used for service contracts
- ww) **Termination for Cause.** Termination of a contract on a unilateral basis when the contractor fails to perform, fails to make progress so as to endanger performance, or commits a default as specified in the contract.

- xx) **Termination for Convenience.** Termination of a contract by the PHA on a unilateral basis when the product or service is no longer needed or when it is in the best interest of the PHA.
- yy) **Vendor.** The term often used for an offeror or contractor when talking about small purchasing.
- zz) **Vendor List.** List of persons or firms qualified to do business with the PHA.

4) Competition

- a) The GHA shall conduct all procurement transactions in a manner that provides full and open competition, as required by 2 CFR 200.319. The GHA shall avoid any situations that restrict or eliminate competition, such as:
 - i) Placing unreasonable requirements on firms in order for them to qualify to do business
 - ii) Requiring unnecessary experience and excessive bonding
 - iii) Noncompetitive pricing practices between firms or between affiliated companies
 - iv) Noncompetitive contracts to consultants that are on retainer contracts
 - v) Organizational conflicts of interest
 - vi) Specifying only a brand name product instead of allowing an equal product to be offered and describing the performance or other relevant requirements of the procurement
 - vii) Any arbitrary action in the procurement process
- b) The GHA shall solicit bids from an adequate number of qualified sources to ensure fair and reasonable prices. In general, the GHA shall obtain at least three quotes for small purchases and three bids or proposals for sealed bids and competitive proposals. However, the GHA may accept fewer quotes, bids, or proposals if it documents the reasons for doing so in the procurement file. The GHA shall also document the evaluation criteria and methods used to select the successful offeror.
- c) Establishment of a Small Works Roster
 - i) In an effort to ensure maximum participation by a variety of contractors and suppliers, and to ensure a prompt response to repair/work order requests, the GHA shall establish a small works roster.
 - ii) The small works roster shall consist of a list of qualified contractors who have applied to be included in the roster and meet the eligibility criteria established by the GHA. The GHA shall maintain separate rosters for different categories of work, such as general contracting, plumbing, electrical, painting, roofing, etc.
 - iii) The GHA shall solicit applications for the small works roster as needed through public advertisement. The GHA shall review the applications and verify the qualifications and eligibility of the contractors and suppliers.
 - iv) The GHA shall include in the small works roster only those contractors and suppliers who meet the minimum standards and requirements established by the GHA. The GHA shall also ensure that the contractors and suppliers on the small works roster are not suspended or debarred from doing business with the federal government.

5) Solicitation Process

- a) The GHA shall prepare an appropriate solicitation document for each procurement method, in accordance with 2 CFR 200.320. The solicitation document shall include the following elements:
 - i) A clear and accurate description of the technical requirements for the material, product, or service to be procured. The description shall not contain features that unduly restrict competition, such as brand name specifications, unless they are necessary to meet the GHA's needs and a justification is provided. The description shall also include a statement of the qualitative standards or performance criteria that the offerors must meet or exceed.
 - ii) The evaluation factors and their relative importance will be used to assess the proposals or bids and select the most advantageous offer. The evaluation factors shall be directly related to the requirements and objectives of the procurement and shall be clearly stated in the solicitation document. The evaluation factors may include price, technical merit, quality, experience, past performance, delivery time, warranty, or other relevant criteria.
 - iii) The instructions and information for the offerors to prepare and submit their proposals or bids. The instructions shall include the deadline, format, content, and number of copies of the proposals or bids, as well as the address and contact person for the submission. The instructions shall also specify any pre-bid or pre-proposal conference, site visit, or other communication opportunities that the GHA will provide to the offerors.
 - iv) The type and terms of the contract that will be awarded to the successful offeror. The contract type shall be suitable for the nature and risk of the procurement and shall provide incentives for the contractor to perform effectively and efficiently. The contract terms shall include the scope of work, deliverables, payment schedule, performance standards, reporting requirements, and other relevant clauses.
 - v) The minimum qualifications and eligibility criteria that the offerors must meet to be considered for award. The qualifications and eligibility criteria shall be reasonable and consistent with the GHA's needs and the applicable regulations and policies. The criteria may include the offerors' legal status, financial stability, technical capability, relevant experience, references, licenses, certifications, or other evidence of responsibility.
 - vi) Any special conditions or requirements that apply to the procurement, such as bonding, insurance, security clearance, conflict of interest, or compliance with federal, state, and local laws and regulations.
- b) GHA shall ensure that the solicitation document is complete, clear, and accurate, and that it provides sufficient information and time for the offerors to prepare and submit responsive proposals or bids.

- c) GHA shall also ensure that the solicitation document is publicly advertised or directly distributed to potential offerors, depending on the procurement method and dollar value. The GHA shall maintain a record of the solicitation process, including the distribution list, the number of proposals or bids received, and the date and time of the opening.

6) Suspension and Debarment

- a) GHA follows the HUD guidelines and procedures for suspension and debarment of contractors who engage in fraud, waste, abuse, or other misconduct related to the contract or the federal assistance program.
- b) GHA will report any suspected or confirmed violations to the HUD Office of Inspector General and the HUD Suspension and Debarment Official. GHA also cooperates with the investigations and audits conducted by the HUD or other authorities.
- c) Before awarding any contract, GHA is required to check the status of the prospective contractor on the System for Award Management (SAM) website, which contains the list of suspended, debarred, and ineligible contractors. GHA must verify that the contractor is not excluded from doing business with the federal government and document the verification in the procurement file.
- d) Contracts shall not be awarded to debarred, suspended, or ineligible contractors. Contractors may be suspended, debarred, or determined ineligible by HUD in accordance with HUD regulations (24 CFR Part 24) (Government debarment and suspension, government wide requirements for drug free workplace) when necessary to protect the GHA in its business dealings.

7) Procurement Methods

a) Selection of Method

- i) The GHA shall select the most appropriate procurement method for each purchase, depending on the type, complexity, and estimated value of the goods, works, or services to be procured.
- ii) The GHA shall document the rationale for selecting the procurement method for each purchase and obtain the necessary approvals before proceeding with the solicitation and award process. The GHA shall also ensure that the procurement method is consistent with the applicable federal, state, and local regulations and policies.
- iii) In accordance with 2 CFR 200.318, GHA shall maintain sufficient records to document the history of procurement, including the rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price. GHA shall also retain evidence of the quotes obtained, such as written quotes, telephone logs, fax confirmations, or email records. GHA shall ensure that the records are complete, accurate, and accessible for audit or review purposes.

b) Procurement Method Summary

The following table summarizes the main features, applicability, and dollar value range of each procurement method:

Procurement Method	Main Features	Applicability	Dollar Value Range
Micro-Purchase	One quote needed if price is considered reasonable	Written approval of CEO required before placing the order	Up to \$10,000
Small Purchase	- Three quotes are needed - Award will be made to the offer with the lowest price	- Written approval of CEO required before placing the order - All responses must be documented - If lowest price isn't chosen, the non-price factors must be justified in writing	\$10,000 to \$250,000
Sealed Bids	Preferred method for construction contracts	Award is made by the board	\$250,001 and above

	Includes solicitation & receipt of bids	- IFB Package is needed - for sealed construction contracts a bond is required	
Competitive Proposals	Used when GHA wants to consider other factors than price	- RFP shall be published - Award is made by the board	\$250,001 and above
Non-Competitive Proposals	Item is only available from a single source	- Documented justification - Written approval of CEO required - Cost analysis is performed	\$250,001 and above
Piggybacking	Allows GHA to use existing contracts of another public entity	- Scope of work from the original contract must be applicable to the GHA - Cost analysis required - This method can not be used for construction contracts	

c) Petty Cash Purchases

- i) Small purchases of \$500.00 or less, which can be satisfied by local sources, may be processed using a petty cash account.
- ii) This account will contain the total amount of \$500.00 and the finance officer shall ensure that the amount contained in this account is sufficient to cover small purchases made during a reasonable period (i.e., one month).
- iii) An amount of \$500.00 or less may be requested at one time from this account unless otherwise approved by the CEO.
- iv) The financial officer shall maintain security of the account and only authorized individuals have access to the account; the account is periodically reconciled and replenished by submission of a voucher to the finance officer; and the

account is periodically audited by the finance officer or designee to validate proper use and to verify that the account total equals cash on hand plus the vouchers.

d) **Micro Purchases (\$0 - \$10,000)**

- i) For small purchases below \$10,000, only one quotation need be solicited if the price received is considered reasonable based on research, experience, purchase history or other information and documents it files accordingly. Such purchases must be distributed equitably among qualified sources.
- ii) If practicable, a quotation shall be solicited from other than the previous sources before placing a repeat order.
- iii) The written approval of the CEO or designee is required before placing the order.
- iv) Credit cards can be used for micro-purchases if procedures are documented.
 - (1) Credit card transactions must comply with the same policies and procedures as other micro-purchases, such as obtaining reasonable prices, ensuring fair and equitable distribution among qualified sources, and obtaining written approval from the CEO or designee.
 - (2) The Authority will have use of a credit card to purchase limited materials, supplies, and services, and to facilitate other necessary transactions where the use of a credit card would expedite the transaction in an efficient manner. **Personal uses of the credit card is strictly prohibited.**
 - (3) Cash advances using the credit card is strictly prohibited.
 - (4) The CEO is solely responsible for recommending to the board high staff members should have access to a credit card
 - (a) The board will approve all new credit cards issued to staff members.
- v) The Micro Purchase threshold means \$10,000 except for:
 - (1) For acquisitions of construction subject to 40 U.S.C. chapter 31, subchapter IV, Wage Rate Requirements (Construction), \$2,000;
 - (2) For acquisitions of services subject to 41 U.S.C. chapter 67, Service Contract Labor Standards, \$2,500;
 - (3) For acquisitions of supplies or services that, as determined by the head of the agency, are to be used to support a contingency operation; to facilitate defense against or recovery from cyber, nuclear, biological, chemical or radiological attack; to support a request from the Secretary of State or the Administrator of the United States Agency for International Development to facilitate provision of international disaster assistance pursuant to 22 U.S.C. 2292 et seq.; or to support response to an emergency or major disaster (42 U.S.C. 5122), as

described in 13.201(g)(1), except for construction subject to 40 U.S.C. chapter 31, subchapter IV, Wage Rate Requirements (Construction) (41 U.S.C. 1903)

(a) \$20,000 in the case of any contract to be awarded and performed, or purchase to be made, inside the United States; and

(b) \$35,000 in the case of any contract to be awarded and performed, or purchase to be made, outside the United States;

e) Small Purchases (\$10,000 - \$250,000)

- i) For small purchases in excess of \$10,000 but not exceeding \$250,000, multiple offers shall be solicited to submit price quotations, or in the absence of qualified registered contractors, telephone or written solicitation from other business sources, as allowed by State or Local laws. All responses must be documented in writing. Award shall be made to the offeror providing the lowest acceptable written quotation, unless justified in writing based on price and other specified factors, such as for professional services (i.e. architect-engineer) contracts. The names, addresses, and/or businesses contacted, and the date and amount of each quotation shall be recorded and maintained as a public record. The written approval of the CEO or designee is required before placing the order.

f) Sealed Bids/Construction Contracts

i) Conditions for Use

Sealed bidding is the preferred method for construction procurement exceeding the small purchase limitation i.e. (over \$250,000). For professional services contracts, sealed bidding should not be used. Contracts shall be awarded based on competitive sealed bidding if the following conditions are present:

- (1) the construction contract amount exceeds \$250,000;
- (2) a complete, adequate, and realistic specification or purchase description is available;
- (3) two or more responsible bidders are willing and able to compete effectively for the work;
- (4) the procurement lends itself to a firm fixed price contract;
- (5) the selection of the successful bidder can be made principally on the bases of price.

ii) If sealed bids are used, the following requirements apply:

- (1) Bids must be solicited from an adequate number of qualified sources, providing them sufficient response time prior to the date set for opening the bids, for local, and tribal governments, the invitation for bids must be publicly advertised;

- (2) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;
- (3) All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;
- (4) A contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
- (5) Any or all bids may be rejected if there is a sound documented reason.

g) Bonds

- i) In sealed bid construction contracts, three types of bonds or guarantees are required: A bid bond or guarantee, a performance bond, and a payment bond. In addition to the other requirements of this Policy, the following requirements apply:
 - (1) For construction contracts exceeding \$100,000, GHA may accept the bonding policy and requirements if the determination has been made that the Federal interest has been protected.
 - (2) If this determination has not been made, contractors shall be required to submit the following, unless otherwise required by State or Local laws or regulations:
 - (a) a bid guarantee from each bidder equivalent to 5 percent of the bid price;
 - (i) The "bid guarantee" must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents
 - (b) a performance bond for 100 percent of the contract price;
 - (c) a payment bond for 100 percent of the contract price.

h) Competitive Proposals

- i) Conditions for Use
Competitive proposals may be used if there is an adequate method of evaluating technical proposals and where the GHA determines that conditions

are not appropriate for the use of sealed bids. An adequate number of qualified sources shall be solicited.

- ii) This method of procurement would be used instead of a sealed bid process when the GHA wants to consider factors other than price, such as technical expertise, experience, quality, or innovation.
- iii) A competitive proposal process allows the GHA to evaluate proposals based on predefined criteria and negotiate with offerors to obtain the best value, especially when contracting for professional services (e.g., legal, architect-engineer, accounting, etc.) for specific expertise and experience.
- iv) Requests for proposals must be publicized and identify all evaluation factors and their relative importance.
 - (1) Proposals must be solicited from an adequate number of qualified offerors. Any response to publicized requests for proposals must be considered to the maximum extent practical;
 - (2) Proposals must identify all evaluation factors and their importance
 - (3) Contracts must be awarded to the responsible offeror whose proposal is most advantageous to the non-Federal entity, with price and other factors considered
 - (4) The non-Federal entity may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby offeror's qualifications are evaluated and the most qualified offeror is selected, subject to negotiation of fair and reasonable compensation.
 - (5) 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 services, though A/E firms are a potential source to perform the proposed effort.

v) Award

After evaluation of proposal revisions, if any, the contract shall be awarded to the responsible firm whose qualifications, price and other factors considered, are the most advantageous to the GHA. Award shall be made by the GHA Board of Housing Commissioners at an open public meeting.

i) Noncompetitive Proposals

i) Conditions for use:

Procurements shall be conducted competitively to the maximum extent possible. Procurement by noncompetitive proposals may be used only when the award of a contract is not feasible using small purchase procedures, sealed bids, or competitive proposals cooperative purchasing, and one of the following applies:

- (1) The item is available only from a single source, based on a good faith review of available sources;
- (2) An emergency exists that seriously threatens the public health, welfare, or safety, or endangers the life and safety of our tenants or customers, or endangers property, or would otherwise cause serious injury to the GHA
- (3) HUD authorizes the use of noncompetitive proposals; or
- (4) After solicitation of a number of sources, competition is determined inadequate.

ii) Justification

- (1) For each procurement that uses noncompetitive proposals, there shall be a written explanation of why such procedures were necessary.
- (2) The CEO or designee shall authorize the explanation in writing.
- (3) The Authority will maintaining a record of all procurements that use noncompetitive proposals, including the written explanation, the authorization, the contract award, the cost analysis, and board approval.

iii) Price Reasonableness.

The reasonableness of the price for all procurements based on noncompetitive proposals shall be determined by performing a cost analysis

iv) Approval

- (1) Non-competitive bids above the small purchase threshold will be brought to the Board of Commissioners for review and acceptance.
- (2) All other Non-competitive bids will be approved in writing by the CEO

j) Piggybacking

- i) Piggybacking is another alternative procurement method that allows GHAs to use existing contracts between a vendor and another public entity, such as a state or local government agency, without conducting a new procurement. This can save time and resources for GHA and ensure that the contract terms are favorable and compliant with applicable laws and regulations.
- ii) According to HUD, piggybacking is permissible if the following conditions are met:
 - (1) The original contract was awarded using full and open competition;
 - (2) The contract contains an assignability clause that allows the contract to be assigned to other governmental entities;
 - (3) The contract scope of work and specifications adequately describe GHA's requirements;
 - (4) The contract price is fair and reasonable;

- (5) The contract performance period has not expired;
 - (6) GHA obtains written consent from the original contracting party and the contractor;
 - (7) GHA complies with its own procurement policies and procedures based on the purchase threshold, including board approval if required;
 - (8) GHA must document the procurement file with the rationale for piggybacking, the original solicitation and contract, the cost or price analysis, the consent letters, and the piggyback agreement (24 CFR Part 85.36(b)(5) and PIH Notice 2011-51).
- iii) HUD advises PHAs to exercise caution when piggybacking and to conduct a thorough review of the original contract before entering into a piggyback agreement
 - iv) Piggybacking is not allowed for construction contracts, as they are subject to different regulations and requirements than non-construction contracts (24 CFR Part 941.602 and PIH Notice 2011-51).

8) Assistance to Small and Other Businesses/Section 3

a) Required Efforts

i) Consistent with Presidential Executive Orders 11625, 12138, and 12432, and Section 3 of the HUD Act of 1968, the GHA shall make efforts to ensure that small and minority-owned businesses, women's business enterprises, labor surplus area businesses, and individuals or firms located in or owned in substantial part by persons residing in the area of a GHA project are used when possible. Such efforts shall include, but shall not be limited to:

- (1) Including such firms, when qualified, on solicitation mailing list;
- (2) Encouraging their participation through direct solicitation of bids or proposals whenever they are potential sources;
- (3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by such firms;
- (4) Establishing delivery schedules, where the requirement permits, which encourage participation by such firms;
- (5) Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce;
- (6) Requiring prime contractors, when subcontracting is anticipated, to take the positive steps listed in A.1.a through A.1.f above.

b) Goals may be established by the GHA periodically for participation by small businesses, minority-owned businesses, women's business enterprises, labor surplus area businesses, and businesses concerns which are located in, or owned in substantial part by persons residing in the area of the project, in the GHA's prime contracts and subcontracting opportunities.

c) Section 3 Requirements for Procurement

i) In alignment with the HUD requirements outlined in 24 CFR 75, the GHA shall make concerted efforts to ensure that economic opportunities generated by HUD financial assistance are directed towards low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to businesses that provide economic opportunities to low- and very low-income persons.

ii) To achieve these objectives, the GHA will implement the following measures:

- (1) Ensure that employment and other economic opportunities arising in connection with HUD-assisted projects are directed towards Section 3 residents and businesses.
- (2) Require contractors and subcontractors to provide training, employment, and contracting opportunities to Section 3 residents and businesses to the greatest extent feasible.
- (3) Require contractors to incorporate section 3 language in subcontracts

- (4) Monitor and enforce compliance by contractors and subcontractors with the Section 3 requirements, including the submission of periodic reports detailing their efforts and outcomes.
- (5) See GHA's section 3 policy for additional policies over compliance

9) Resident Owned Businesses

a) Purpose

- i) The purpose of this part is to enhance the economic opportunities of public housing residents by providing public housing agencies with a method of soliciting and contracting with eligible and qualified resident-owned businesses (as defined in this part) for public housing services, supplies, or construction.
- ii) The contract award method provided by this part is based on the established procurement procedures set forth in 24 CFR 85.36 , with solicitation as provided by these procedures limited to resident-owned businesses. The contract award method provided by this part is not a requirement. It is an alternative procurement method available to public housing agencies, subject to the conditions set forth in this part, and subject to permissibility under State and local laws.

b) Applicability.

- i) The policies and procedures contained in this part apply to public housing developments that are owned by public housing agencies (PHAs) and that are covered by Annual Contributions Contracts (ACC) with the Department.
- ii) Public housing contracts eligible to be awarded under the alternative procurement process provided by this part are limited to individual contracts that do not exceed \$1,000,000.
- iii) Resident-owned businesses eligible to participate in the alternative procurement process are limited to those that meet the eligibility requirements.

c) Eligible resident-owned businesses.

- i) To be eligible for the alternative procurement process provided by this part, a business must meet the following requirements, and must submit evidence to GHA, in the form described below, or as GHA may require, that shows how each requirement has been met.
 - (1) Legally formed business. The business shall submit certified copies of any State, county, or municipal licenses that may be required of the business to engage in the type of business activity for which it was formed. Where applicable (as for example, in the case of corporations), the business also shall submit a certified copy of its corporate charter or other organizational document that verifies that the business was properly formed in accordance with State law.
 - (2) Resident-owned business. The business shall submit a certification that it is a resident-owned business as defined by this part.

- (a) The business shall disclose to GHA all owners of the business, and each owner's percentage of ownership interest in the business. The business also shall disclose all individuals who possess the power to make the day-to-day, as well as major, decisions on matters of management, policy, and operations (management officials).
 - (b) The business shall identify all owners and management officials who are not public housing residents, and shall disclose any relationship that these owners and officials may have to a business (resident- or non-resident-owned) engaged in the type of business activity with which the resident-owned business is engaged. For purposes of this part, "relationship" means employment by, or having an ownership interest in, a business. The business also shall submit such evidence as GHA may require to verify that the owner or owners identified as public housing residents reside within public housing of GHA.
- ii) Responsibility to complete contract. The business shall submit evidence sufficient to demonstrate to the satisfaction of GHA that the business has the ability to perform successfully under the terms and conditions of the proposed contract.
 - (1) Consideration will be given to various factors, including but not limited to such matters as proof of completion of courses in business administration or financial management, and proof of job training or apprenticeship in the particular trade, business, profession, or occupation.
- iii) Limitation on alternative procurement contract awards.
 - (1) The business shall submit a certification as to the number of contracts awarded, and the dollar amount of each contract award received, under the alternative procurement process provided by this part.
 - (2) A resident-owned business is not eligible to participate in the alternative procurement process provided by this part if the resident-owned business has received under this process one or more contracts with a total combined dollar value of \$1,000,000.

d) **Alternative procurement process.**

- i) Method of procurement.
 - (1) In contracting with resident-owned businesses, GHA shall follow the applicable method of procurement, with solicitation limited to resident-owned businesses.
- ii) Contract awards.

(1) Contracts awarded under this part shall be made only to resident-owned businesses that meet the requirements, and that comply with such other requirements as may be required of a contractor under the particular procurement and the Department's regulations.

(a) An award shall not be made to the resident-owned business if the contract award exceeds the independent cost estimate, and the price normally paid for comparable supplies, services, or construction in the project area.

iii) Contract requirements.

(1) Any contract entered into between a GHA and a resident-owned business under this part shall comply with: the contract provisions of this policy, governing bonding requirements, where applicable; and such other contract terms that may be applicable to the particular procurement under the Department's regulations.

(2) In addition to GHA also shall maintain records sufficient to detail the significant history of the procurement made under this part. These records will include, but are not necessarily limited to the following:

- (a) The independent cost estimate and comparable price analysis
- (b) the basis for contractor selection, including documentation concerning the eligibility of the selected resident-owned business
- (c) and the basis for determining the reasonableness of the proposed contract price.

10) Build America, Buy American Requirements

- a) The GHA shall comply with the domestic preference requirements of 2 CFR 200.322 when procuring goods, materials and products for its projects.
- b) The GHA shall give preference to products that are manufactured in the United States, unless such products are not available or cost more than an acceptable percentage (as specified in the solicitation) above the price of foreign products.
- c) The GHA shall also consider other factors, such as quality, availability and environmental impact, when evaluating bids or proposals for products subject to domestic preference.
- d) The GHA shall include a clause in its solicitations and contracts that requires contractors and subcontractors to certify the origin of the products they supply and provide supporting documentation upon request.

11) Standards of Conduct

- a) The GHA shall adhere to the following code of conduct consistent with Chapter 112 of the Florida Statutes. It is declared that the high moral and ethical standards among the public servants are essential to the conduct of free government; that a code of ethics for the guidance of public officers and employees is necessary in order to eliminate conflicts of interest in public office, improve standards of public service, and promote and strengthen the faith and confidence of people of Florida in their government.
- b) Conflict of Interest (24 CFR 85.36(b)(3) and Section 19 of the ACC)
 - i) No employee, officer, or agent shall participate in the selection, award or administration of a contract supported by Federal funds if a conflict of interest, financial or otherwise, real or apparent, would be involved. Such a conflict would arise when the employee, officer or agent, any member of his or her immediate family; his or her partner; or an organization which employs or is about to employ any of the above, has a financial or other interest in the firm selected for the award.
 - ii) GHA nor any of its contractors or their subcontractors may enter into any contract, subcontract, or arrangement in connection with a project under ACC in which any of the following classes of people have an interest, direct, or indirect, during his or her tenure or for one year thereafter.
 - (1) Any present or former member or officer of the governing body of GHA, or any member of the officer's immediate family. There shall be excepted from this prohibition any present or former tenant commissioner who does not serve on the governing body of a resident corporation, and who otherwise does not occupy a policymaking position with the resident corporation, GHA or a business entity.
 - (2) Any employee of GHA who formulates policy or who influences decisions with respect to the project(s), or any member of the employee's immediate family, or the employee's partner.
 - (3) Any public official, member of the local governing body, or State or local legislator, or any member of such individual's immediate family, who exercises functions or responsibilities with respect to the project(s) of GHA. (Note: for additional important provisions see Section 19 of the ACC).
 - iii) No present or former employee, officer, or agent shall engage in selling or attempting to sell supplies, services, or construction to GHA for one year following the date such employment ceased (see Sections 515 of the old ACC, form HUD- 53011, dated 11/69 and Section 19 of the new ACC, form HUD- 53012A, dated 7/95).
 - (1) The term "sell" means signing a bid or proposal, negotiating a contract, contacting any GHA employee, officer, or agent for the purpose of

obtaining, negotiating, or discussing changes in specifications, price, cost allowances, or other terms of contract; settling contract disputes; or any other liaison activity with a view toward the ultimate consummation of a sale, although the actual contract is negotiated by another person.

- c) Employees are to adhere to the Gainesville Code of Ethics for Employees of the Gainesville Housing Authority as a part of the Gainesville Housing Authority Personnel policy.
- d) Gratuities, kickbacks, and use of confidential information (24 CFR 85.36(b)(3) and Section 19 of the ACC
 - i) GHA officers, current employees former employees within one year of employment, or agents shall not solicit or accept gratuities, favors or items of more than \$50 in value from contractors, potential contractors, or parties to subcontracts-agreements, and shall not knowingly use confidential information for actual or anticipated personal gain. and shall not knowingly use confidential information for actual or anticipated personal gain.
- e) Contractors shall not retain a person to solicit or secure a GHA contract for a commission, percentage, brokerage, or contingent fee, except for bona fide employees or bona fide established commercial selling agencies.

12) Contracts

a) Specifications

- i) All specifications shall be drafted so as to promote overall economy for the purposes intended and to encourage competition in satisfying the GHA's needs.
- ii) Specifications shall be reviewed prior to solicitation to ensure that they are not unduly restrictive or represent unnecessary or duplicative items. Functional or performance specifies the actions shall be avoided whenever possible.
- iii) Consideration shall be given to consolidating or breaking out procurements to obtain a more economical purchase (but see VIII below). For equipment purchases, a lease versus purchase analysis should be performed to determine the most economical form of procurement.

b) Types of Contracts

- i) The following section describes the types of contracts, clauses, and contract administration procedures that the GHA uses for its procurement activities.
- ii) The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.
- iii) The GHA may use any type of contract authorized by 2 CFR 200.318, such as firm-fixed-price contracts, cost-reimbursement contracts, fixed-price contracts with economic price adjustment, fixed-price incentive contracts, cost-plus-incentive-fee contracts, or cost-sharing contracts.
- iv) The GHA shall select the contract type that is most appropriate for the specific procurement and that will provide the greatest value to the GHA. The GHA shall document the rationale for choosing the contract type in the procurement file.
- v) The GHA may use a time and materials (T&M) contract only after a determination that no other contract type is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk.
 - (1) A T&M contract provides for acquiring supplies or services on the basis of direct labor hours at specified fixed hourly rates that include wages, overhead, general and administrative expenses, and profit; and actual cost for materials.
 - (2) The GHA shall document the basis for using a T&M contract in the procurement file.
- vi) Fixed-Price.
 - (a) Fixed-price types of contracts provide for a firm price or, in appropriate cases, an adjustable price. Fixed-price contracts providing for an adjustable price may include a ceiling price, a target price (including target cost), or both.

- (b) Unless otherwise specified in the contract, the ceiling price or target price is subject to adjustment only by operation of contract clauses providing for equitable adjustment or other revision of the contract price under stated circumstances.

(2) Firm fixed-price.

- (a) This contract type requires the delivery of products or services at a specified price, fixed at the time of contract award and not subject to any adjustment on the basis of the contractor's cost experience in performing the contract.
- (b) It is appropriate for use when fair and reasonable prices can be established at time of award, definite design or performance specifications are available, products are off-the-shelf or modified commercial products or services for which realistic prices can be offered, and any performance uncertainties can be identified and reasonable cost estimated in advance.

(3) Fixed-price with economic price adjustment.

- (a) In cases where the market for a particular supply or service is especially volatile, and the PHA needs a contract for a term greater than just an initial quantity, this contract type allows for adjustment in the contract price based upon the occurrence of specified contingencies stated in the contract (e.g., changes in market conditions, the Consumer Price Index, or other commodity price indices that are not controlled by the contractor).
- (b) The contract contains initial firm fixed prices that may be adjusted upward or downward during the performance period.
- (c) A fixed-price contract with economic price adjustment may be used when:
 - (i) There is serious doubt concerning the stability of market or labor conditions that will exist during an extended period of contract performance; and,
 - 1. Contingencies that would otherwise be included in the contract price can be identified and covered separately in the contract.
 - 2. Price adjustments based on established prices should normally be restricted to industry-wide contingencies. Price adjustments based on labor and material costs should be limited to contingencies beyond the contractor's control.

vii) Cost-reimbursement.

- (1) Cost-reimbursement types of contracts provide for payment of allowable incurred costs, to the extent prescribed in the contract.
- (2) These contracts establish an estimate of total cost for the purpose of obligating funds and establishing a ceiling that the contractor may not exceed (except at its own risk) without the approval of the contracting officer.
- (3) 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.
- (4) A cost reimbursement contract may be used only when:
 - (a) the contractor's accounting system is adequate for determining costs applicable to the contract;
 - (b) and, appropriate surveillance during performance will provide reasonable assurance that efficient methods and effective cost controls are used.
- (5) Cost contract (no fee). This is a cost-reimbursement contract under which the contractor receives no fee. This type is often used when contracting with nonprofit organizations that may not receive any fee or profit.
- (6) Cost-plus-fixed-fee. This is a type of cost-reimbursement contract that provides for payment to the contractor of a negotiated fee (profit) that is fixed at the time of contract award. The fixed fee does not vary with the contract's actual costs but may be adjusted as a result of changes in the work to be performed under the contract.
 - (a) A cost plus fixed fee contract presents the greatest risk to the PHA because it provides the contractor only a minimum incentive to control the costs of contract performance. Therefore, it should be used only when no other type is feasible. Like all cost-reimbursement contracts it requires a significant amount of monitoring by the PHA to ensure contractor compliance.
 - (i) There are two forms of cost-plus-fixed-fee contracts:
 1. The completion form describes the scope of work by stating a definite goal or target and specifying an end product. This form of contract normally requires the contractor to complete and deliver the specified end product (e.g., a final report of research accomplishing the goal or target) within the estimated cost, if possible,

as a condition for payment of the entire fixed fee.

2. The term form describes the scope of work in general terms and obligates the contractor to devote a specified level of effort for a stated time period. Under this form, if the Contracting Officer considers the contractor's performance to be satisfactory, the fixed fee is payable at the expiration of the agreed-upon period.

- (b) Because of the differences in obligation assumed by the contractor, the completion form is preferred over the term form whenever the work, or specific milestones for the work, can be defined well enough to permit development of estimates within which the contractor can be expected to complete the work. The term form should not be used unless the contractor is obligated by the contract to provide a specific level of effort within a definite time period.

viii) Indefinite-delivery contracts

- (1) There are three types of indefinite-delivery contracts: definite quantity contracts, requirements contracts, and indefinite-quantity contracts.

- (2) The appropriate type of indefinite-delivery contract may be used to acquire supplies and/or services when the exact times and/or exact quantities of future deliveries are not known at the time of contract award.

- (a) **Definite-quantity** contracts provide for delivery of a definite quantity of specific supplies or services for a fixed period of time (e.g., one year), with deliveries or performance to be scheduled at designated locations upon order.

- (i) A definitequantity contract may be used when it can be determined in advance that:

1. A definite quantity of supplies or services will be required during the contract period; and,
2. The supplies or services are regularly available or will be available after a short lead time.
3. A requirements contract may be appropriate for acquiring any supplies or services when the PHA anticipates recurring requirements but cannot predetermine the precise quantities of supplies or services that it will need during a definite period. lii.

(b) **Indefinite-quantity** contracts provide for delivery of an indefinite quantity, within stated limits (a minimum and maximum quantity), of supplies or services during a fixed period.

- (i) Quantity limits may be stated in the contract as number of units or as dollar values.
- (ii) GHA may use an indefinite-quantity contract when they cannot predetermine, above a specified minimum, the precise quantities of supplies or services that they will require during the contract period, and it is inadvisable to commit itself for more than a minimum quantity.
- (iii) GHA should use an indefinite-quantity contract only when a recurring need is anticipated. The contract must require the PHA to order and the contractor to furnish at least a stated minimum quantity of supplies or services. In addition, if ordered, the contractor must furnish any additional quantities, not to exceed the stated maximum.
- (iv) The Contracting Officer should establish a reasonable maximum quantity based on market research, trends on recent contracts for similar supplies to ensure that the contract is binding, the minimum quantity must be more than a nominal quantity, but it should not exceed the amount that the PHA is fairly certain to order.
- (v) The solicitation and resulting contract for an indefinite quantity contract should:
 - 1. Specify the period of the contract, including the number of options and the period for which the PHA may extend the contract under each option;
 - 2. Specify the total minimum and maximum quantity of supplies or services the PHA will acquire under the contract. This may be expressed in units (e.g., number of items) or total dollar amount
 - 3. Include a statement of work, specifications, or other description, that reasonably describes the general scope, nature, complexity, and purpose of the supplies or services the PHA will acquire under the contract in a manner that will enable

a prospective offeror to decide whether to submit an offer;

4. State the procedures that the PHA will use in issuing orders, including the ordering media (fax, email, etc.) and whether oral orders may be placed; and,
5. Identify the PHA personnel who are authorized to issue orders.

(c) **Indefinite-delivery contracts:** Specify the prices for the supplies or services, the period under which GHA may place orders with the contractor, the ordering procedures, and the contract terms and conditions that govern the orders;

- (i) Provide for obtaining the supplies or services when needed by placing orders with the contractor within the time period stated in the contract (e.g., one year);
- (ii) May be awarded using sealed bidding or competitive proposals as appropriate.
- (iii) Indefinite-delivery purchase orders should not be used unless the PHA knows that multiple orders for items or services will be needed, and the total amount of all orders will not exceed the PHA's small purchase threshold;
- (iv) May use any type of pricing arrangement (e.g., fixed price) as appropriate to the supplies and/or services being purchased.
- (v) Since the indefinite-delivery contracts are awarded competitively, no further competition is required for individual orders placed under it.

ix) Time and materials and labor-hour. A time-and-materials contract provides for acquiring supplies or services on the basis of:

- (1) Direct labor hours at specified fixed hourly rates that include wages, overhead, general and administrative expenses, and profit; and,
- (2) Materials at cost, including, if appropriate, material handling costs as part of material costs.
- (3) A time-and-materials contract may be used only when the Contracting Officer has determined that no other type of contract is suitable (i.e., it is not possible at the time of placing the contract to estimate accurately the extent or duration of the work or to anticipate costs with any reasonable degree of confidence), and the contract includes a ceiling price that the contractor exceeds at his/her own risk.

- (4) The contracting officer shall document the contract file to justify the reasons for and amount of any subsequent change in the ceiling price.
- (5) Appropriate GHA surveillance of contractor performance is required to ensure that efficient methods and effective cost controls are being used. d. A labor-hour contract is a variation of the time-and-materials contract. The only difference is that the contractor provides only labor and no materials.

c) Contract Provisions

- i) All contracts must include the clauses and provisions required by federal, state, and local laws and regulations, as well as the terms and conditions necessary to define the parties' rights and responsibilities.
- ii) In addition to containing a clause identifying the contract type, all contracts shall include any clauses required by Federal state statutes, executive orders, and their implementing regulations, as provided in 24 CFR 85.36(l), (contract provisions) such as the following:
 - (1) Termination for convenience,
 - (2) Termination for default,
 - (3) Equal Employment Opportunity,
 - (4) Anti-Kickback Act,
 - (5) Davis-Bacon Act,
 - (6) Section 3,
 - (7) Contract Work Hours and Safety Standards Act, reporting requirements,
 - (8) Patent rights,
 - (9) Rights in data,
 - (10) Examination of records by Comptroller General, retention of records for three years after closeout,
 - (11) Clean air and water,
 - (12) Energy efficiency standards,
 - (13) Prohibition on certain telecommunications and video surveillance services or equipment.
 - (14) Bid protests and contract claims,
 - (15) SAM Exclusions (Debarment & Suspension)
 - (16) Byrd Anit – Lobby Amendment (21 U.S.C 1352)
 - (17) Value engineering, and
 - (18) Payment of funds to influence certain Federal transactions., and
 - (19) Non-collusive affidavits.
 - (20) Build America, Buy America

d) Appeals and Remedies

- i) It is the GHA's policy to resolve all contractual issues informally at the GHA level, without litigation. Disputes shall not be referred to HUD until all administrative remedies have been exhausted at the GHA level. When appropriate, the GHA may consider the use of informal discussions between the parties by the individual who did not participate substantially in the matter in dispute, to help resolve the differences. HUD will only review protests in cases of violations of Federal law or regulations and failure of the GHA to review a complaint or protest.
- ii) Bid Protest
 - (1) 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 receipt of bids or proposals, and any protest against the award of a contract must be received within ten (10) calendar days after contract award, or the protest will not be considered.
 - (2) All bid protests shall be in writing, submitted to the CEO, who shall issue a written decision on the matter.
 - (3) The CEO may, at his or her discretion, suspend the procurement pending resolution of the protest, if warranted by the facts presented.
- iii) Contract Claims
 - (1) All claims by a contractor relevant to performance of a contract shall be submitted in writing to the CEO or designee for a written decision. The contractor may request a conference on the claim.
 - (2) The CEO or designee's decision shall inform the contractor of its appeal rights to a Board member designated by the Chairperson to serve as appeal reviewer.

13) Cost and Price Analysis

- a) Performing cost and price analysis to ensure that the prices paid for the products are fair and reasonable, and reflect the prevailing market conditions. When a cost breakdown is submitted: a cost analysis shall be performed of the individual cost elements.
 - i) the GHA shall have a right to audit the contractor's books and records pertinent to such costs; and profit shall be analyzed separately
 - ii) In establishing factors such as the complexity and risk of the work involved the contractor's investment and productivity, the amount of subcontracting, the quality of past performance, and industry profit rates in the area for similar work.
 - iii) Price Analysis. This may include:
 - (1) Comparing the proposed prices with the independent government estimates, historical prices, or prices obtained from other sources, such as catalogs, websites, or commercial databases.
 - (2) Analyzing the cost elements of the proposals, such as labor, materials, overhead, profit, and transportation, and verifying their reasonableness and consistency with the solicitation requirements.
 - (3) Negotiating with the selected contractors or suppliers to obtain the best value for the products, and documenting the negotiation process and outcomes.
 - (4) For all procurement actions, documentation of the cost or price analysis as outlined above shall be maintained the record with the contract award.
 - iv) A cost or price analysis shall be performed for all procurement actions, including contract modifications. The method of analysis shall be determined as follows. The degree of analysis shall depend on the facts surrounding each procurement.
 - (1) Submission of Cost or Pricing Information
If the procurement is based on noncompetitive proposals, or when only one offer is received, or for other procurements as deemed necessary by the GHA (i.e., when contracting for professional, consulting, or architect/engineer services) the offerer shall be required to submit.
 - (2) A cost breakdown showing projected costs and profit;
 - (3) Commercial pricing and sales information, sufficient for the GHA to verify the reasonableness of the proposed price as a catalog or market price of a commercial product sold in substantial quantities to the general public; or
 - (4) Documentation showing that the offered price is set by law or regulations.
 - v) Cost Analysis

- (1) Cost analysis shall be performed if an offeror/contractor is required to submit a cost breakdown as part of its proposal.
- (2) When a cost breakdown is submitted: a cost analysis shall be performed of the individual cost elements; the GHA shall have a right to audit the contractor's books and records pertinent to such costs; and profit shall be analyzed separately.
- (3) Costs shall be allowable only if they are consistent with applicable Federal cost principles (for commercial firms, Subpart 31.2 of the Federal Acquisition Regulation, 48 CFR Chapter 1).
- (4) In establishing factors such as the complexity and risk of the work involved the contractor's investment and productivity, the amount of subcontracting, the quality of past performance, and industry profit rates in the area for similar work.