### VISION
We will foster innovation, diverse, dynamic, and productive team that works in a healthy, collaborative, and respectful environment towards a shared vision of excellence.

### MISSION
To leverage the power of affordable, decent, safe, and stable housing to help communities thrive and low-income families increase their potential for long-term economic success and a sustained high quality of life.

### PROCUREMENT TEAM GUIDING PRINCIPLES
**S.T.R.I.D.E.**

<table>
<thead>
<tr>
<th>SERVICE</th>
<th>TRANSPARENCY</th>
<th>RESPECT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focus on service to our customers</td>
<td>Commit to open, honest, and effective communication with our internal and</td>
<td>Face our challenges from a positive, optimistic, and transformative</td>
</tr>
<tr>
<td>and leveraging partnerships to build</td>
<td>external customers and partners.</td>
<td>viewpoint that promotes mutual respect.</td>
</tr>
<tr>
<td>communities where residents are</td>
<td></td>
<td></td>
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<tr>
<td>able to maximize their potential</td>
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<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INTEGRITY</th>
<th>DIVERSITY</th>
<th>EFFECTIVENESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conduct business with integrity by</td>
<td>Value the experiences of all individuals and celebrate differences in</td>
<td>Engage in responsible and effective management strategies to achieve</td>
</tr>
<tr>
<td>fostering and environment that</td>
<td>gender, age, sexual orientation, culture, religion and tenure of service.</td>
<td>the best use of our assets.</td>
</tr>
<tr>
<td>cultivates, trust, honesty, loyalty</td>
<td></td>
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<tr>
<td>and accountability</td>
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</tbody>
</table>
Procurement Training
Regulations & Policies
Why Are There Procurement Rules?
Federal Procurement Rules Require

- Agencies to seek lowest price from a qualified provider
  - Purchases of goods and services

- Price is NOT the only consideration in procurement.
# Procurement Hierarchy

<table>
<thead>
<tr>
<th>Regulation Type</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>OMB Super Circular</td>
<td>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</td>
</tr>
<tr>
<td>2 CFR 200.317-326</td>
<td>Administrative Requirements for Grants &amp; Cooperative Agreements to State, Local &amp; Federally Recognized Indian Tribal Gov’ts</td>
</tr>
<tr>
<td>TEXAS State Law</td>
<td>Established purchasing thresholds of $50K for BOC approval</td>
</tr>
<tr>
<td>HUD Procurement Handbook</td>
<td>Most recently issued in 2007 Guides agencies in establishing policies</td>
</tr>
</tbody>
</table>
| Local Government Codes           | Chapter 252 – Municipalities  
Chapter 262 – Counties  
Chapter 392 – Housing Authorities  
Chapter 2254 – Professional Services  
Chapter 2253 – Bonding             |
| FWHS Policy                      | Often mirrors HUD handbook                                                                                                                  |
Most Restrictive Procurement Law Trumps

- 2 CFR 200 in combination with:
  - Federal Laws
  - State Laws
  - Local Laws and Regulations

- If local laws are more stringent than federal, then local laws supersede federal
Procurement Handbook for Public Housing Agencies

- Applies to PHAs
  - Operation, modernization, & development of public housing
- Regulations and statues trumps handbook
- Less powerful than Board-approved policy
The Handbook Clarifies

- When both HUD and non-Federal grant funds are used for a project
- Not possible to separate funds?
  - HUD procurement applies to the total project
Code of Ethics & Conflicts of Interest

- Applies to
  - Officers
  - Employees
  - Board Members
  - Agent
  - Contractors
  - Vendors
Defining a Relative

- Father
- Mother
- Son
- Daughter
- Brother
- Sister
- Uncle
- Aunt
- First Cousin
- Nephew
- Niece
- Husband
- Wife
- Father-in-law
- Mother-in-law
- Son-in-law
- Sister-in-law
- Daughter-in-law
- Brother-in-law
- Stepfather
- Stepmother
- Stepson
- Stepdaughter
- Stepbrother
- Stepsister
- Half Brother
- Half Sister
Gratuities & Kickbacks

- Not all gifts are cash
  - Sport tickets
  - Holiday gifts

- If you accept these items, contractors may feel
  - They own any PHA
  - Have inside advantage for contracts
Collusion is Unlawful

May cause vendor to be debarred

Two (2) or more bidders get together and say, “let’s just take turns putting in the low bid…”
Role of OIG

- Officially – they watch over HUD and sub-recipients
  - Like PHAs, such as FWHS

- They know regulation and are experts in procurement

- On-site visit
  - They are likely to review files in procurement

- Their goals are policies that are:
  - Solid
  - Consistently implemented
  - Generate documentation required to substantiate purchase decisions
OIG Audit Findings
What Triggers OIG Audit?

- Resident
- Investigator
- Newspaper Articles
Housing Authority of Bexar County (HABC) Improperly Purchased Goods and Services
HABC FAILED TO

- Provide full & open competition
  - Contracts with independent contractors
  - Renewed its legal and auditing contracts

- Maintain required documentation
  - On competitively procured appliances
  - Air conditioning contract
  - Roofing contract and a cleaning services contract

- Incurred questioned costs of $195,080
Housing Authority of Jefferson Parish (HAJP) Did Not Always Follow Federal and Other Requirements
HAJP FAILED TO

- Support cost reasonableness
- Use proper procurement method
- Execute complete bid packages and contracts
- Maintain required contract documentation
- Allow contracts to expire before renewing
- Support $176,827
Malakoff Housing Authority

Executive Director Violated the Authority’s ACC
Malakoff Housing Authority Violations

- Contracted with or employed
  - Various family members
  - Related parties

- Resulted in $353,015 in unsupported costs
Colfax Housing Authority

Did Not Follow HUD’s and Its Own Procurement Requirements
Colfax Housing Authority Failed To

- Document
  - Contracts
  - Procurement File
  - Cost analysis
  - Independent Cost Estimates (ICE)

- Incurred unsupported costs of $671,211
South Landry Housing Authority

Did Not Comply with HUD Regulations When Administering Its Procurement and Financial Operations
South Landry Housing Authority Failed To

- Adhere to HUDs & Agency’s procurement requirements
- Used credit cards properly
- Track inventory
- Maintain proper time and leave records
- Incurred questioned costs totaling more than $1 million
Beware
When You Fail to Procure Correctly?

- OIG will penalize for NOT following the correct procedures

- OIG/HUD office/FBI will try to show that the individual/agency benefited from the mistake
  - An individual may have to pay monies back to the agency

- Offenses of $10,000 or larger has committed a large enough (or accumulated enough small offenses-the threshold is $10K) the OIG will turn the case over to the US Attorney’s office for prosecution
  - A person may be indicted
  - One of the repercussions is jail
What Can Happen?

- Agency ends up in the paper
- Board may receive additional scrutiny
- Procurement issues draw congressional attention
Procurement Basics

Types of Procurements
What Needs To be Procured?

**Goods, Supplies & Equipment:**
- Office Supplies
- Maintenance and Janitorial Supplies
- Expendable and Non-expendable equipment

**Construction Contracts:**
- Demolition
- Property Rehabilitation
- Mod/construction contracts can be complex, but have a lot of boilerplate information

**Professional Services:**
- Architects and Engineers
- Lawyers
- Accountants and Auditors
- Consultants

**Non-Competitive Procurements:**
- Utilities
- Postage
- Some Emergency Procurements
Procurement Exceptions

- Policy does not govern
  - Administrative fees earned under HCV program
  - Award of vouchers under the HCV program
  - Execution of landlord Housing Assistance Payments contracts under that program
Building Blocks

Procurements are justified by three questions:

1. Was the competition fair?
2. Is it in the budget?
3. Where is the proper documentation?
Basic Types of Purchases

1. Micro Purchase
2. Small Purchase
3. Sealed Bid (Construction)
4. Competitive Proposal
5. Qualifications-Based Selection (RFQ)
6. Non-Competitive
7. Cooperative Purchasing/Intergovernmental Agreements
1. Micro Purchases

- Over $25 but not exceeding an aggregate of $3,000
  - $2,000 for construction (Davis Bacon, applicable)

- One (1) quote obtained by phone, fax or e-mail
Documentation

1. Must be “SOLID”

2. Records must be organized/easily accessible

3. Quote(s) should be for the same item, in the same quantities

4. Can’t get enough or any quote(s)?
Quote Requirements

Minimum documentation on all quote(s):

– Name of vendor
– Address
– Telephone number
– Person contacted
– Date of quote
– Item/price
Sample Procurement Forms

Verbal Response to Quotation Request

<table>
<thead>
<tr>
<th></th>
<th>EMPLOYEE NAME</th>
<th></th>
<th>EXT.</th>
<th></th>
<th>DEPT.</th>
<th></th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>DESCRIPTION OF ITEM</td>
<td></td>
<td>QUANTITY</td>
<td></td>
<td>ACCOUNT CODE **</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>VENDOR, CONTACT, &amp; PHONE NUMBER</td>
<td></td>
<td>SELECTED VENDOR</td>
<td></td>
<td>DATE CALLED</td>
<td></td>
<td>COST</td>
</tr>
<tr>
<td>14</td>
<td>SHIP TO:</td>
<td></td>
<td>ADMIN BLDG. 1201 E. 13TH ST.</td>
<td></td>
<td>PICK UP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>IF LESS THAN THREE SOURCES, PLEASE EXPLAIN, IF APPLICABLE:</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>16</td>
<td>SIGNATURE</td>
<td></td>
<td>DATE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>BUDGET AUTHORITY **</td>
<td></td>
<td>DATE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* LINE 17 REQUIRES DEPT HEAD SIGNATURE
* LINE 7 REFERS TO CHARGE TO ALSO
2. Small Purchases

- Also known as Small Order Bid (SOB)

- Over $3,000 but under $50,000

- Over $25,000—Must Advertise
Micro Purchases vs Small Purchases

- Important distinction
  - The existence of consistent competition

Micro Purchases
- Do NOT require independent cost estimate (ICE)
- Competition encouraged but not required
- Require 1 quote

Small Purchases
- DOES require independent cost estimate (ICE)
- Require 3 Quotes
- Over $25,000 Advertising Required

Can typically receive quotes by phone/email/fax for both types of purchases
Competitive Solicitation Process
What’s Needed?

- Provide to Procurement:
  - Requisition
  - Specifications
  - Plans, if needed
  - Quantity needed
  - Schedule for delivery
  - Preferred vendor list
  - Independent Cost Estimate (ICE)
Cost and Price Analysis

- FWHS is required to have an idea of what goods or services should cost before procurement is undertaken
  - Independent Cost Estimate (ICE)
Typical Cost Analysis Steps

- Verify cost and price information
- Evaluate current practices
- Compare costs proposed
Sample Procurement Forms

Independent Cost Estimate (ICE) Form

<table>
<thead>
<tr>
<th>Type</th>
<th>Source</th>
<th>Date (if Source)</th>
<th>Total Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Published Price List</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insurance Estimate</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>A&amp;E Estimate</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Commercial Cost Estimating Publication (e.g., R.I. Means, Craftsmen, etc.)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Davis-Bacon Wage Rates</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Previous Contract Prices (if necessary, please factor in inflation or changed market conditions)</td>
<td></td>
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</tr>
<tr>
<td>Current Contract Labor Rates (if Modification only)</td>
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</tr>
<tr>
<td>Non-FWHS Contract Prices (Sister Agencies / TX State)</td>
<td></td>
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<tr>
<td>Non-FWHS Contract Prices (State)</td>
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<tr>
<td>Non-FWHS Contract Prices (GSA – Federal)</td>
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<td></td>
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<tr>
<td>Catalog Price</td>
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<td></td>
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<tr>
<td>Market Price</td>
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</tr>
</tbody>
</table>

* Include anticipated labor costs, material expenses, subcontracted items, overhead, profit and any other cost factor that may impact the contract.
## Independent Cost Estimate

### Division 01: General Requirements

<table>
<thead>
<tr>
<th>Item No</th>
<th>Description</th>
<th>Material</th>
<th>Labor</th>
<th>Equipment</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Unit</td>
<td>Unit</td>
<td>Unit</td>
<td>Unit</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Price</td>
<td>Cost</td>
<td>Price</td>
<td>Cost</td>
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<tr>
<td></td>
<td></td>
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</tr>
<tr>
<td>1</td>
<td>Division 01 - General Requirements (Value entered here must equal the sum of Division 01 categories used below)</td>
<td></td>
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</tr>
<tr>
<td>2</td>
<td>Non-Dwelling senior living (24 units)</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>3</td>
<td>Non-Dwelling common area</td>
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<tr>
<td>4</td>
<td>Non-Dwelling common area</td>
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<tr>
<td>5</td>
<td>Military Housing (FY2014 - 2017) (60 units)</td>
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<tr>
<td>6</td>
<td>Renovation between 150,000 - 400,000</td>
<td></td>
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<tr>
<td>7</td>
<td>Renovation between 400,000 - 1,000,000</td>
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<tr>
<td>8</td>
<td>Renovation between 1,000,000 - 1,500,000</td>
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<td></td>
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<tr>
<td>9</td>
<td>Renovation between 1,500,000 - 2,000,000</td>
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<td></td>
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<tr>
<td>10</td>
<td>Senior Living (24 units)</td>
<td></td>
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<tr>
<td>11</td>
<td>Senior Living (24 units)</td>
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<tr>
<td>12</td>
<td>Senior Living (24 units)</td>
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<tr>
<td>13</td>
<td>A-DU-416 Dwelling Program (FY2014-FY2017)</td>
<td></td>
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<tr>
<td>14</td>
<td>Renovation between 0 - 200,000</td>
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<tr>
<td>15</td>
<td>Renovation between 200,000 - 400,000</td>
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<tr>
<td>16</td>
<td>Renovation between 400,000 - 1,000,000</td>
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</tr>
<tr>
<td>17</td>
<td>Renovation between 1,000,000 - 1,500,000</td>
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<td></td>
<td></td>
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<tr>
<td>18</td>
<td>Renovation between 1,500,000 - 2,000,000</td>
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</tbody>
</table>

### Conditions:

1. Independent Cost Estimate form is in accordance with form PD/0370.
2. Level of detail will vary based on the site-specific requirements.

### Summary:

- **Total Cost:** $44,219,000.00
- **Funding Available (2.5%):** $1,991,300.00
- **Overhead (Indirect Costs):** $2,349,000.00
- **Independent Cost Estimate completed:** 12/17/2014

---

**Independent Cost Estimate prepared by:**

**Date:**

**Independent Cost Estimate reviewed by:**

**Date:**

**Independent Cost Estimate approved by:**

**Date:**
Craft a Great Scope of Work

Spend some time considering what you are really looking for when drafting the scope of work.

Instead of: “We need a lawyer.”

“Eviction lawyer with experience in landlord tenant court; and who is familiar with Texas state law; and knows the PHAs properties; and who is familiar with the PHAs lease; and who is well known and respected by landlord/tenant court system.”
Scope Writing

- Use for all types of Solicitations
- Must give a clear and complete idea of what is needed
- Restricting
  - Geographic
  - Brand names
3. Sealed Bids-Construction

- Invitation For Bid (IFB)
- Purchases over $2,000
- Advertise over $25,000
- Contract awarded to Bidder
  - Lowest priced
  - Responsive
  - Responsible
4. Competitive Proposals

- Request for Proposals (RFP)
- For professional services contracts
- Evaluation team score proposals
- Price and contract conditions can be negotiated
Price is a factor but NOT THE ONLY factor
5. Qualification Based Selection

- Request for Qualifications (RFQ)
- Most common for:
  - Architectural/Engineering (A&E) Services
  - Developers
- Price is not used as a selection factor
- Evaluation team rank top firm(s) proposal
Addendums

- Issued before bids or proposals are accepted
- Only an addendum can change a solicitation
  - Accommodate additional request
  - Change due date
  - Correct a mistake
- Must be submitted with bids, proposals, submissions
Addendum

ADDITIONAL NUMBER 1

September 28, 2017

RFP No. 2017-106 – COMPREHENSIVE ARMED AND MOBILE SECURITY SERVICE

Fort Worth Housing Solutions
Procurement Department
300 South Beach Street
Fort Worth, TX 71605

Note: The Request for Proposal are received but not publicly opened.

Receipt of this Addendum is to be acknowledged by the Respondent by signing, dating and submitting with the proposal. Failure to do so may render the submission non-responsive.

The following revisions, clarifications, additions and/or deletions are included in this Addendum No. 1 to the RFP for Comprehensive Armed and Mobile Security Service and are to be fully incorporated into each respondents submission for work solicited therein.

Respondent acknowledges receipt of Addendum:

Respondent’s Signature

Date
Cancelling Solicitations

- Can be necessary

- Reasons can include:
  - No longer needed
  - Funding is not available
  - Prices exceed available funding
  - Solicitation inaccurate or incomplete
Selecting an Evaluation Team

- Used for RFPs & RFQs
- Various departments
  - Minimum of 3
- Be mindful of evaluator’s time
  - Set realistic due dates
Evaluating Proposals

- Utilize rating criteria listed in the RFP

- Evaluate proposals individually
  - Come to your own conclusions first
  - Read through all the proposals before scoring (if that makes more sense to you than scoring first)

- Consensus Meeting
  - Try to be pragmatic during group discussion
## Sample Evaluation Criteria

### IV. EVALUATION/SELECTION CRITERIA

Proposals will be evaluated and rated on, but may not be limited to, the following criteria:

<table>
<thead>
<tr>
<th>CRITERIA</th>
<th>POINTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EXPERIENCE / QUALIFICATIONS</strong></td>
<td></td>
</tr>
<tr>
<td>a. Experience in related task for organizations of similar size and scope in successfully implementing a collection services</td>
<td></td>
</tr>
<tr>
<td>b. Provide the names of the team members who will be servicing FWHA. Include a resume that highlights each member’s area of expertise and qualifications to provide services</td>
<td></td>
</tr>
<tr>
<td><strong>Project Approach</strong></td>
<td>30</td>
</tr>
<tr>
<td>a. Displays a sound approach to achieving the desired outcome of the services.</td>
<td>25</td>
</tr>
<tr>
<td><strong>Demonstrated Capability</strong></td>
<td></td>
</tr>
<tr>
<td>a. Describe your strategy for servicing the FWHA’s needs related to debt collection services</td>
<td>25</td>
</tr>
<tr>
<td>b. Displays the capacity and proven approach to successfully deliver the requested services</td>
<td></td>
</tr>
<tr>
<td>c. Provide sample utilization reports for different retirement plan benefits; include projections and/or trends.</td>
<td></td>
</tr>
<tr>
<td><strong>M/WBE Plan and Section 3 Plan</strong></td>
<td>10</td>
</tr>
<tr>
<td><strong>Fee Proposal/Cost</strong></td>
<td>10</td>
</tr>
<tr>
<td>a. Fee for services is reasonable and justifiable.</td>
<td></td>
</tr>
</tbody>
</table>
Evaluating

“Have experience.”

“Demonstrated track record of mixed income/mixed community developments, experience with workforce housing concept.”
Debriefing

- Requested in writing
  - Respondents not selected

- Purpose
  - Addresses concerns
  - Provides strengths & weaknesses

- Information presented from evaluations
Hierarchy of Procurements Based on Cost

- **Board Approval**
  - Sealed Bids/Competitive Proposals
    - Over $50,000

- **Requires Approval**
  - Small Purchases
    - Over $3,000 and not exceeding $50,000
    - ($2,000 Construction)
  - Micro Purchases
    - Over $25 not exceeding $3,000
    - ($2,000 Construction)
6. Non-Competitive

- Rarest form of procurement – Sole Source
- Used only when competition is **impossible**
- Four (4) Reasons must apply:
  1. Item or service available only from one source
  2. Public exigency **OR** emergency
  3. Awarding agency (HUD) authorizes non-competitive proposals
  4. Competition is determined inadequate
Non-Compete Justification Memorandum

TO: Procurement

FROM: 

DATE: 

SUBJECT: Non-Compete for

VENDOR: 

AMOUNT: 

According to the HUD Procurement Handbook 7460.8 Rev 2 “Procurement by non-competitive proposals shall be conducted only if a written justification is made as to the necessity of using this method in accordance with the procedures described in the PHA’s procurement policy. Approval to award a contract resulting from a non-competitive proposal does not eliminate or alter any other requirement of 2CFR 300.320 governing the contract. The justification shall include the following information:

1. Describe the procurement requirement:

2. Provide a history of similar purchases with this vendor or of this requirement.

3. State the specific exception to 2CFR 200.320(f)(1-4) that applies – State reason for this request:
   (A) The item is available only from a single source;
   (B) The public exigency or emergency for the requirement will not permit a delay resulting from a competitive solicitation;
   (C) The awarding agency (HUD) authorizes non-competitive proposals;
   (D) After solicitation of a number of sources, competition is determined inadequate

4. State the unique circumstances, if any, support contract award by sole source or non-competitive procurement?

5. Describe the efforts made to find competitive sources (i.e., advertisement in trade journals or local publications; phone calls to suppliers; issuance of a written solicitation). Attach any market research information.

6. State the efforts that will be taken in the future to promote competition for this requirement?

7. Attach Cost/Price Estimate Form and Cost Analysis Breakdown (from proposed and previously related procurements) supporting the reasonableness of the proposed non-competitive procurement price.

8. Attach the Requisition to this memo or provide via Elite System.

Approved: ______________________ Date: ________________
7. Cooperative Purchasing

- Intergovernmental Agreements
  - Known as a Piggyback

- Goods or services already procured by another level of government

- Faster than an independent procurement
Procurement Team Meetings (P-Team)

**TIME TO PLAN!**

- Marked on the calendar for the 18th.
Procurement Planning

- Essential to preparing for agency and resident’s needs

- Capital purchases must be planned into the budget when written
  - Vehicles, modernization contracts, other big-ticket items
Procurement Planning

- Assists in:
  - Find patterns
  - Maximize competition and competitive pricing
  - Reduce administrative costs
  - Avoid re-procurement
  - Minimize errors
Procurement & Budget

- Based on annual appropriations of funds

- Essential to link procurements & the budget
  - Timing is everything

- Track encumbered funds
Contracting Officer & Contract Administration

- Authorized individuals
- Monitors contracts
Multiple Year Contracts

- Contracts shall not exceed a period of five years
  - Including options for renewal or extension
  - Excludes energy performance contracts

- Local HUD office may approve contracts in excess of five years if it determines there is no practical alternative
Procurement Implementation Logistics

- Federal & state procurement guidance requires
  - Know what we need
  - How often before we need it

- Work backwards
Procurement Process

1. Solicitation Created
2. Advertise
3. Pre-Bid/Proposal Meeting
4. Addendum released (as needed)
5. Receive Bids/Proposal
6. Due diligence
7. Board approval (if required)
8. Contract award
9. Reporting requirements
Questions & Answers
HUD & Construction
Contractor Qualifications

- FWHS must ensure prospective contractors are qualified

- Meaning that contractors:
  - Have the funds to complete work
  - Can complete within timeframe
  - Have satisfactory performance records
  - Complete work according to our requirements
    - Pass our own inspections
Qualified Contractors Must

- Have a satisfactory record of integrity and ethics

- Have the necessary production, construction and technical equipment and facilities or can obtain them
Responsible Bids

- Bids or quotations must be verified
- Contractors must be in good standing
- Contractor may appeal in writing
Difference Between a Responsive Bid & a Responsible Bid

- **Responsive bid:**
  - All required bid elements, addresses all scope items
  - See who is the best bidder
  - THEN references checked

- **Responsible bid:**
  - Contractor displays their ability to perform the work
Determined Wage Rates

Davis-Bacon Wage Rates:
- Required to be paid (and documented by the PHA) to all laborers and mechanics on construction contracts above $2,000
- Hourly rate is set by Department of Labor (DOL) and is comparable to union rates for similar jobs

HUD Determined Wages Rates:
- Required to be paid (and documented by the PHA) to all maintenance workers on routine maintenance workers on routine maintenance employees hired under contracts
- Hourly rate is set by HUD Labor Office (will correspond to the PHAs wage rates)
Federal Labor Standards and Wage Rates-Construction

- All laborers and mechanics involved in construction contracts in excess of $2,000

- Overtime requirements

- Solicitation and Contracts
  - Invitations for Bids
Types of Bonds

- **Bid Bond**
  - Guarantees lowest bid is submitted in earnest (not frivolously)

- **Performance Bond**
  - Guarantees satisfactory completion of project

- **Payment Bond**
  - Guarantees that the contractor will pay the labor and material costs to which they are obliged
Purpose of a Bid Bond

- Allows FWHS to feel more comfortable awarding work to a contractor
- If the contractor is the lowest bid and doesn’t take on the contract, the bond can be collected against
  - The PHA will be paid by the bonding company the difference between the winning lowest bid and the next highest bid
Bid Bonds

- Some newer Minority/Small business enterprises will have a harder time getting a bond
  - Cost more for them to get bonded
  - Takes longer to build up bonding capacity
Performance Bonds

- A promise to complete work at agreed upon price within the allowed timeline

- Protects from unfinished or unsatisfactory work
Payment Bonds

- Guarantees payment
- Protects FWHS
- Not needed for goods and materials
Appeals

- Typically all contractual issues handled informally & without litigation
- Informal bid protest/appeal procedure for contracts of $50,000 or less
- Formal appeals procedure is typically for solicitations/contracts of more than a specific dollar amount (e.g. $50,000)
- All bid protests shall be in writing
## HUD- Methods of Procurement

### Comparison Chart

<table>
<thead>
<tr>
<th></th>
<th>Small Purchases</th>
<th>Sealed Bids</th>
<th>Competitive Proposals</th>
<th>Non-Competitive</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Micro Purchases</strong></td>
<td>Up to $3,000</td>
<td>$3,000 to $100,000</td>
<td>$100,000 and Higher</td>
<td>$100,000 and Higher</td>
</tr>
<tr>
<td><strong>Bonding Requirements</strong></td>
<td>Not Required</td>
<td>Maybe Required on Construction</td>
<td>Required for construction Contract</td>
<td>Not Required</td>
</tr>
<tr>
<td><strong>Wage Rates</strong></td>
<td>Not Required</td>
<td>Required for construction &amp; maintenance contracts</td>
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<td>Not Required</td>
</tr>
<tr>
<td><strong>Required HUD Forms</strong></td>
<td>Not Required</td>
<td>General Table 5.1</td>
<td>Non-Construction HUD-5369-B</td>
<td>Non-Construction HUD-5369-B</td>
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<tr>
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<td></td>
<td>Construction HUD-5370-EZ</td>
<td>HUD-5369-C</td>
<td>HUD-5369-C</td>
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<td>Maintenance Table 5.1</td>
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<td>HUD-5369-A</td>
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<td></td>
<td></td>
<td>Sect. II-HUD 5370-C</td>
<td>Construction HUD-5369</td>
<td>A/E Contract HUD-51915</td>
</tr>
</tbody>
</table>

- **Micro Purchases**
  - Up to $3,000
  - $3,000 to $100,000

- **Bonding Requirements**
  - Not Required
  - Maybe Required on Construction

- **Wage Rates**
  - Not Required
  - Required for construction & maintenance contracts

- **Required HUD Forms**
  - Not Required
  - General Table 5.1
  - Construction HUD-5370-EZ
  - Maintenance Table 5.1
  - Sect. II-HUD 5370-C

- **Sealed Bids**
  - $3,000 to $100,000
  - Required for construction Contract

- **Competitive Proposals**
  - $100,000 and Higher
  - Required for construction Contract

- **Non-Competitive**
  - $100,000 and Higher
  - Sole Source
  - Required for construction contract over $2,000
Minority & Women’s Businesses (M/WBE)

- Work to provide bidding opportunities to M/WBE by:
  - $3K-$15K — Texas requires to include M/WBE on solicitation list
    - Historically Underutilized Business (HUB)
  - Dividing contracts into small tasks or quantities to permit smaller bidders to compete
Section 3 & Resident Owned Businesses

**Section 3**
- Ensure that employment, training, and business opportunities created by HUD financial assistance be directed to low and very-low income persons
- Efforts to promote Section 3 must be consistent with existing Federal, State and local laws and regulations

**Resident Owned Business**
- A resident-owned business is any business concern that is owned and controlled by public housing residents
- HUD strongly encourages contracts with resident-owned businesses to the maximum extent feasible
Changes During the Contract Term

- Documentation required:
  - Construction contracts need cost/price justification
  - Occasionally a budget revision will be needed in support of a change order
    - For example: weather delay

- Reference form HUD 5370
When is a Change Order Necessary?

- Cost increase can be the responsibly of the contractor

- Some circumstances may genuinely require a change order

- Important questions:
  - Is the work needed above and beyond the original contract scope?
  - Is the contractor’s price reasonable?
Important Tips

- Don’t know if it needs procuring? — ASK!
- Pay attention to the budget
- Pay attention to the utilization patterns
  – Anticipate upcoming needs
  – Avoid fraud
Questions?
WE WILL EITHER SUCCEED OR FAIL AS A TEAM. TEAMWORK CREATES SYNERGY WHERE THE WHOLE IS GREATER THAN THE SUM OF ITS PARTS. IT IS THE ABILITY TO WORK TOGETHER TOWARD A COMMON VISION. TEAMWORK IS THE ABILITY TO DIRECT INDIVIDUAL ACCOMPLISHMENTS TOWARD ORGANIZATIONAL OBJECTIVES. TEAMWORK IS THE DEVELOPMENT OF UNITY AND CREATIVITY WITH OTHERS. PEOPLE WORKING TOGETHER BRING ALL THEIR PERSONAL EXPERIENCE AND EXPERTISE TO THE TABLE. TOGETHER THEY CAN PRODUCE FAR BETTER RESULTS THAN THEY COULD INDIVIDUALLY.