

East Providence Housing Authority

REGULAR MEETING

February 16, 2010

The Regular and Reorganizational Meeting of the Board of Commissioners of the East Providence Housing Authority was held on the above date at Harbor View Manor. The meeting was called to order at 5:00PM by Chairman Richard Smith.

The Pledge of Allegiance was lead by Executive Director Paul Tavares and recited by those in attendance.

ROLL CALL:

Present: Chairman, Richard Smith, Vice Chairperson, Marianne Barao, Commissioners Antero Braga, John Faria, Dorothy Tillou, Lynn Vargas and Director Paul Tavares. Commissioner Anthony Palumbo was excused.

REORGANIZATIONAL MEETING:

Chairman Smith turned the meeting over to Director Tavares who called for nominations for Chairperson. Commissioner Faria moved to nominate Richard Smith, that motion was seconded by Commissioners Barao, Braga, Tillou & Vargas. There being no other nominations, a voice vote was held and Richard Smith was unanimously elected Chairman. Director Tavares then called for nominations for Vice Chairperson. Commissioner Faria moved to nominate Marianne Barao, that motion was seconded by Commissioners Smith, Braga, Tillou & Vargas There being no other nominations, a voice vote was held and Marianne Barao was unanimously elected Vice Chairperson. Commissioner Faria moved to close the Organizational Meeting, that motion was seconded by Commissioner Tillou and approved. A motion by Commissioner Barao, seconded by Commissioner Braga was approved to return the Regular Meeting.

APPROVAL OF MINUTES:

Regular Meeting – December 15, 2009, Motion by Commissioner Faria to accept the minutes as presented, Second by Commissioner Barao. All Commissioners voted aye.

PRESENTATIONS:

None

DIRECTOR'S REPORT:

Director Tavares informed the commissioners that the annual HUD REAC Inspection had been conducted on February 10,11 & 12. Although the final results had not been received, the preliminary reports were favorable. He acknowledged and thanked Facilities Manager, Tony Cunha and all the maintenance staff for all their hard work and diligence in preparing for the inspection.

He reported that the hallway carpets had been cleaned at City View and Goldsmith on February 1st and 2nd and that we were satisfied with the work of Griggs and Brown who provided the lowest cost estimate. He reminded the Commissioners that Harbor View was not done now as we will be replacing those carpets in the near future.

Commissioners were informed that the Social Club at City View & Goldsmith which had been dormant for almost a year, recently reorganized. The new officers were Barbara Belcastro, President; Donna Lang, Vice President; Ann Costa, Secretary; Nancy Blais, Treasurer and Jean Coyle, Activity Director.

Director Tavares spoke to the commissioners in general about the pending Elevator Restoration Project, Cycle Painting and Harbor View Hallway Restoration Projects.

Commissioner Faria moved and Commission Tillou seconded a motion to accept the Directors' report as presented. Motion carried.

PUBLIC HOUSING VACANCY REPORT

Lori Pontus was unable to attend this meeting , Paul Tavares, on her behalf reported that as of 2/11/10, there were 6 vacant units at Harbor View, 1 at Warren Avenue, 6 vacant units at City View and 1 vacant Duplex unit for a total of 14. We felt that the high number of vacant units reflected a reluctance of folks wanting to move during the Holiday Season and now expected to see more activity in leasing. He would continue to monitor this situation. A motion was made by Commissioner Faria and a second by Commissioner Braga to accept the report which was approved on a unanimous voice vote.

SECTION 8 OCCUPANCY REPORT

Commissioner Braga made a motion, Second by Commissioner Barao to accept the report as presented by Section 8 Coordinator Terry Correia, indicating that one new voucher had been issued during the month of January. They were also informed that as of 2/09/10, there presently were 749 applicants on the waiting list. Ms. Correia spoke to them about the pending "Budget Authority" and informed them that any dollar increase would not dramatically add to the number of new vouchers, but would replenish the reserve funds which we have been using. She also told them that we would be continuing to purge the waiting list with an approximate 400 letters to be sent in March. This lead to various questions and comments involving Chairman Smith, Commissioners Braga, Vargas and Director Tavares. At the conclusion of this discussion, her report was accepted as presented and approved.

FSS Program Update

Terry Correia updated the Commissioners and referred them to the submitted report which indicated that we were up to 17 participants. Community contacts had increased with the addition of Pawtucket Credit Union which will make presentations as to financial fitness and provide budgeting workshops for our participants. We have also established a relationship with an organization called "Dress for Success". Commissioner Faria moved and Commissioner Vargas seconded a motion to approve the FSS Program Update report. The motion passed.

PAID BILL REPORT

Director Tavares passed out the **December, 2009** Paid Bill Report in the amount of **\$188,426.76**. He highlighted and explained several of the expenses and answered questions from Commissioner Braga. Commissioners Faria and Tillou then moved and seconded a motion to approve the December, 2009 Paid Bill Report. Motion carried.

Director Tavares then passed out the **January, 2010** Paid Bill Report in the amount of **\$133,982.76**. He highlighted and explained several of those expenses and answered questions from Chairman Smith. Commissioner Faria had a question concerning the Blue Cross premium which Director Tavares could not answer, but promised to report back at the next meeting. Commissioners Faria and Braga then moved and seconded a motion to approve the January, 2010 Paid Bill Report. Motion carried.

UNFINISHED BUSINESS:

None

REQUISITIONS:

None

RESOLUTIONS:

#465 – Revised EPHA Procurement Policy with ARRA Requirements (See Attached)

Commissioner John Faria moved that Resolution #465 be finally adopted as introduced and read. This Resolution will take effect immediately. The motion was seconded by Commissioner Lynn Vargas. The question being upon the final adoption of said Resolution the roll was called with the following results:

AYES: Commissioners, Smith, Barao, Braga, Faria, Tillou and Vargas
NAYES: None
ABSENT: Commissioner Palumbo
ABSTAIN: None

Chairman Smith declared the Resolution finally adopted.

NEW BUSINESS

The Commissioner's were presented with the "Schedule of Meetings" for 2010. Meetings were scheduled monthly with the exception of July & August. Whereas monthly meetings are usually very short, Director Tavares suggested, and the Commissioners agreed, to meet every other month. More frequent meetings would be called, if needed. The next meeting will be on April 20, 2010, followed by June 15th, September 21st, November 16th and December 14th. Commissioner Barao moved and Commissioner Braga seconded a motion to accept the Executive Director's recommendation. Motion carried.

ADJOURNMENT

Commissioner Faria moved and Commissioner Vargas seconded a motion to adjourn the meeting at 5:45PM. Said motion was approved.

Respectfully submitted,

Paul J. Tavares
Executive Director/Secretary
Transcribed by pjtares

EAST PROVIDENCE HOUSING AUTHORITY

PROCUREMENT POLICY

REV: 02/2010

This Procurement Policy complies with the Annual Contributions Contract (ACC) between East Providence Housing Authority (EPHA) and the HUD, Federal Regulations at **24CFR 85.36**, the procurement standards of the Procurement Handbook for PHA's, HUD Handbook **7460.8, Rev.2** and applicable State and Local laws.

1.0 GENERAL PROVISIONS

1.1 Purpose

The purpose of this Procurement Policy is to provide a procurement system of quality and integrity; to assure that the Authority procures supplies, service and construction effectively, efficiently and at the most favorable prices; and to assure that Authority purchasing actions are in full compliance with applicable Federal standards, HUD regulations, and State and local laws, to the extent possible and in the best interests of the Authority.

1.2 Application

This Procurement Policy applies to all procurement actions of the Authority, regardless of the source of funds, except as noted under "exclusions," below. However, nothing in this Policy shall prevent the EPHA from complying with the terms and conditions of any grant, contract, gift or bequest that is otherwise consistent with the law. When both HUD and non-Federal grant funds are used for a project, the work to be accomplished with the funds should be separately identified prior to procurement so that appropriate requirements can be applied, if necessary. If it is not possible to separate the funds, HUD Procurement regulations shall be applied to the total project. If funds and work can be separated and work can be completed by a new contract, then regulations applicable to the source of funding may be followed.

1.3 Definition

The term 'procurement', as used in this Policy, includes the procuring, purchasing, leasing, or renting of: (1) goods, supplies, equipment, and materials, (2) construction and maintenance; consultant services, (3) Architectural and Engineering (A/E) services, (4) Social Services, and (5) other services.

1.4 Exclusions

This policy does not govern administrative fees earned under the Section 8 voucher program, the award of vouchers under the Section 8 program, the execution of landlord Housing Assistance Payments contracts under that program, or non-program income, e.g., fee-for-service revenue under 24 CFR Part 990. These excluded areas are subject to applicable State and local requirements.

1.5 **Changes in Laws and Regulations**

In the event an applicable law or regulation is modified or eliminated, or a new law or regulation is adopted, the revised law or regulation shall, to the extent inconsistent with these Policies, automatically supersede these Policies.

1.6 **Public Access to Procurement Information**

Most procurement information, that is not proprietary, is a matter of public record and shall be available to the public to the extent provided in the Rhode Island Freedom of Information Act.

2.0 **ETHICS IN PUBLIC CONTRACTING**

2.1 **General**

The EPHA hereby establishes the following code of conduct regarding procurement issues and actions and shall implement a system of sanctions for violations consistent with applicable Federal, State or local law.

2.2 **Conflicts of Interest**

No employee, officer, Board Member, or agent of the EPHA shall participate directly or indirectly in the selection, award or administration of any contract if a conflict, real or apparent, would be involved. Such conflict would arise when one of the persons listed below has a financial or other type of interest in a firm competing for the award:

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

2.3 **Gratuities, Kickbacks, and Use of Confidential Information**

No officer, employee, Board Member, or agent shall ask for or accept gratuities, favors, or items of more than \$25.00 in value from any contractor, potential contractor, or party to any subcontract, and shall not knowingly use confidential information for actual or anticipated gain.

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02/2010

2.4 **Prohibition Against Contingent Fees**

Contractors wanting to do business with the EPHA shall not retain a person to solicit or secure an Authority contract for a commission, percentage, brokerage, or contingent fee, except for bona fide employees or bona fide established commercial selling agencies

3.0 **PROCUREMENT METHODS**

3.1 **Petty Cash Purchases**

Petty Cash Purchases - Small purchases less than One Hundred Fifty Dollars (\$150.00) which can be satisfied by local sources may be processed through the use of a petty cash account. The Contracting Officer shall ensure that the account is established in an amount sufficient to cover small purchases made during a reasonable period (e.g., one month), security is maintained, and only authorized individuals have access to the account. The account shall be periodically reconciled and replenished by submission of a voucher to the Authority's Finance Director and periodically audited by the Finance Director or designee to validate proper use and to verify that the account total equals cash on hand plus the total of accumulated vouchers.

3.2 **Small Purchases**

A. **General** - Any contract not exceeding \$100,000.00 may be made in accordance with the small purchase procedures authorized in this section. Contract requirements shall not be artificially divided so as to constitute a small purchase under this section (except as may be reasonably necessary to comply with Section 5.0 of this Policy).

C. **Small purchases of \$5,000.00 or less** - For small purchases below \$5,000.00, only one quotation need be solicited if the price received is considered reasonable. Such purchases must be distributed equitably among qualified sources. If practicable, a quotation shall be solicited from other than the previous source before placing a repeat order.

D. **Small purchases over \$5,000.00** - For small purchases in excess of \$5,000.00 but not exceeding \$100,000.00 The EPHA shall obtain a reasonable number of quotes (preferably three) these quotes may be obtained orally, either in person or by telephone, by fax, or in writing, or through e-procurement. Award shall be made to the qualified vendor that provides the best value to the EPHA. If the award is to be made for reasons other than the lowest price, documentation shall be provided in the contract file. The EPHA shall not break down requirements aggregating more than the small purchase threshold into several purchases to avoid any procedures or requirements. All purchases in excess of \$25,000.00 shall be approved by the Board of Commissioners, The exception being, that if said purchase or contract is deemed to be of an emergency nature or the timing of the next Commissioner's meeting would delay the purchase or contract to a degree

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Director that would be detrimental to the EPHA. In either case, the Executive
date, said would submit to the Commissioners, at the earliest possible
procurement action for ratification.

3.3 Sealed Bids

A. **Sealed bidding** shall be used for all contracts that exceed the small purchase threshold of \$100,000.00. Under the sealed bids, the EPHA publicly solicits bids and awards a firm a fixed-price contract (lump sum or unit price) to the responsible bidder whose bid, conforming to all the material items and conditions of the Invitation for Bids (IFB) is lowest in price. Sealed bidding is the preferred method of procuring construction, supply and non-complex service contracts that are expected to exceed \$100,000.00.

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

C. **Solicitation and Receipt of Bids** - An invitation for bids shall be issued including specifications and all contractual terms and conditions applicable to the procurement; including a statement that award will be made to the lowest responsible and responsive bidder whose bid meets the requirements of the invitation for bids. The invitation for bids shall state the time and place for both the receipt of bids and the public bid opening. All bids received shall be time-stamped but not opened and shall be stored in a secure place until bid opening. A bidder may withdraw its bid at any time prior to bid opening.

D. **Bid Opening and Award** - Bids shall be opened publicly, an abstract of bids shall be recorded, and the bids shall be available for public inspection. If equal low bids are received from responsible bidders, award shall be made by drawing lots or similar random method, unless otherwise provided in State or local law and stated in the invitation for bids. If only one responsive bid is received from a responsible bidder, award shall not be made unless a cost or price analysis verifies the reasonableness of the price.

E. Mistakes in Bids

1. Correction or withdrawal of inadvertently erroneous bids may be permitted, where appropriate, before bid opening by written or telegraphic notice received in the office designated in the invitation for bids prior to the time set for bid opening. After bid opening, corrections in bids shall be permitted only if the bidder

can show by clear and convincing evidence
nonjudgmental character was made, the nature of the

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02/2010

mistake, and the bid price actually intended. A low bidder alleging
a nonjudgmental mistake may be permitted to withdraw its
bid if the mistake is clearly evident on the face of the
bid document but the intended bid is unclear or the bidder
submits convincing evidence that a
mistake was made.

2. All decisions to allow correction or withdrawal of bid mistakes
shall be supported by a written determination signed by the
Contracting Officer.

After bid opening, no changes in bid prices or other provisions of
bids prejudicial to the interest of the Authority or fair
competition shall be permitted.

3.4 Competitive Proposals

Unlike sealed bidding, the competitive proposal method permits: consideration of
technical factors other than price; discussion with offerors concerning
offers submitted; negotiation of contract price or estimated cost and other
contract terms and conditions; revisions of proposals before the final
contractor selection;

and withdrawal of an offer at any time up until the point of Award. Award is
normally made on the basis of the proposal that represents the best overall
value to the EPHA, considering price and other factors, e.g. technical
expertise, past experience, quality of proposed staffing, etc. set
forth in the solicitation and not solely the lowest price.

A. **Conditions for Use** – Where conditions are not appropriate for the use of
sealed bidding, competitive proposal may be used. Competitive
proposals are the preferred method for procuring professional
services that will exceed the small purchase threshold.

B. **Solicitation** - Other than A/E services, competitive proposals shall be
solicited through the issuance of a request for Proposals (RFP). The
RFP clearly identify the importance and relative value of all the
factors as well as any subfactors and price. A mechanism
for fairly and thoroughly evaluating the technical and price
proposals shall be established before the solicitation is issued.
Proposals shall be handled so as to prevent disclosure of
the number of offerors, identity of the offerors, and the
contents of their proposals. The proposals shall be evaluated only on the
criteria stated in the request for proposals.

C. **Negotiations** - Unless there is no need for negotiations with any of the
offerors, negotiations shall be conducted with offerors who submit
proposals determined to have a reasonable chance of being
selected for award, based on evaluation against the technical and

price factors as specified in the RFP. Such offerors shall be accorded fair and equal treatment with respect to any opportunity for negotiation and revision of proposals. The purpose of negotiations shall be to seek clarification with regard to and advise offerors of the deficiencies in both the technical and

¹ **REV:**

02/2010

price aspects of their proposals so as to assure full understanding of and conformance to the solicitation requirements. No offeror shall be provided information about any other offeror's proposal, and no offeror shall be assisted in bringing its proposal up to the level of any other proposal. Offerors shall not be directed to reduce their proposed prices to a specific amount in order to be considered for award. A common deadline shall be established for receipt of proposal revisions based on negotiations. "Auctioning" (revealing on offeror's price in an attempt to get another offeror to lower their price) is prohibited.

D. **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 Authority.

E. **Architect/Engineer (A/E) Services** - Architect/engineer services shall be contracted using the Qualified Based Selection (QBS) procedures, utilizing a RFQ. Sealed bidding shall not be used to obtain architect/engineer solicitations. Under QBS procedures, competitors' qualifications are evaluated and the most qualified competitor is selected, subject to the negotiation of fair and reasonable compensation. Price is not used as a selection factor under this method. Qualifications-based selection procedures shall not be used to purchase other types of services even though architect-engineer firms are potential sources.

3.5 **Noncompetitive Proposals**

A. **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, 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; endangers property; or would otherwise cause serious injury to the Authority, as may arise by reason of a flood, earthquake, epidemic, riot, equipment failure, or similar event. In such cases, there must be an immediate and serious need for supplies, services, or construction such that the need cannot be met through

any other procurement methods and the emergency procurement shall be limited to those supplies, services, or construction necessary to meet the emergency;

3. HUD authorizes the use of noncompetitive proposals; or
4. After solicitation of a number of sources, competition is determined inadequate.

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REV: 02/2010

- B. **Justification** – A procurement based on noncompetitive proposals shall be supported by a written justification for using such procedures.
- C. **Price Reasonableness** - The reasonableness of the price for all procurements based on noncompetitive proposals shall be determined by performing a cost analysis, as described in section 2.5 below.

3.6 **Cooperative Purchasing/ Intergovernmental Agreements**

The Authority may enter into State and local intergovernmental agreements to purchase or use common goods and services. The decision to use an intergovernmental agreement or conduct a direct procurement shall be based on economy and efficiency. If used, the intergovernmental agreement shall stipulate who is authorized to purchase on behalf of the participating parties and shall specify inspection, acceptance, termination, payment, and other relevant terms and conditions. The Authority shall use Federal or State excess and surplus property instead of purchasing new equipment and property whenever such use is feasible and reduces project costs. The goods and services obtained under a cooperative purchase agreement must have been produced in accordance with 24 CFR 85.36.

4.0 **COST AND PRICE ANALYSIS**

General - Some form of Independent Cost Estimate (ICE) shall be performed for all purchases over \$5,000.00. The level of detail shall be commensurate with the cost and complexity of the item to be purchased. The EPHA shall require assurance that, before entering into contract, the price is reasonable, in accordance with the following instructions:

4.1 **Petty Cash and Small purchases \$5,000.00 and under.**

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

4.2 **Small Purchases over \$5,000.00**

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

1

REV: 02/2010

4.3 **Sealed Bids**

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

4.4 **Competitive Proposals**

The presence of Where sufficient bids are not received, and when the bid received is substantially more than the ICE, and where the EPHA cannot reasonably determine price reasonableness, the EPHA must conduct a cost analysis, consistent with federal guidelines, to ensure that the price paid is reasonable.

4.5 **Contract Modifications**

A cost analysis, consistent with federal guidelines, shall be conducted for all contract modifications for projects that were procured through Sealed Bids, Competitive Proposals, or Non-Competitive Proposals, or for projects originally procured through Small Purchase procedures and the amount of the contract modification will result in a total contract price in excess of \$100,000.00.

5.0 **SOLICITAION AND ADVERTISING**

5.1 **Method of Solicitation**

- A. **Petty cash and Purchase up to \$5,000.00.** The EPHA may contact only one source if the price is considered reasonable.
- B. **Small Purchases over \$5,000.00.** Quotes may be solicited orally, through fax, electronic mail, or by any other reasonable method.
- C. **Sealed Bids and Competitive Proposals.** Solicitations must be done publically. The EPHA must use one or more following solicitation

meaningful methods, provided that the method employed provides for competition.

1. Advertising in newspapers or other print mediums of local general circulation.
2. Advertising in various trade journals or publications (for construction).

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02/2010

procurement systems. However, all e-be in compliance with 24 CFR 85.36, 3. E-Procurement. The EPFA may conduct its public through the Internet using e-procurement procurement must otherwise State and local requirements, and the Authority's procurement policy.

5.2 Time Frame

For purchases of more than \$100,000.00, the public notice should run not less than once each week for two consecutive weeks.

5.3 Form

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

5.4 Time Period for Submission of Bids

A minimum of 30 days shall generally be provided for preparation and submission of sealed bids and 15 days for competitive proposals. However, the Executive Director may allow for a shorter period under extraordinary circumstances.

5.6 Cancellation of Solicitations

- A. An invitation for bids (IFB), request for proposals (RFB), or other solicitation may be cancelled before offers are due if:
 1. The supplies, services or construction is no longer required;
 2. The funds are no longer available;
 3. Proposed amendments to the solicitation are of such magnitude that a new solicitation would be best; or
 4. Other similar reasons.

- B. A solicitation may be cancelled and all bids or proposals that have already been received may be rejected if:
1. The supplies or services (including construction) are no longer required;
 2. Ambiguous or otherwise inadequate specifications were part of the solicitation;
 3. All factors of significance to the EPHA were not considered;
 4. Prices exceed available funds and it would not be appropriate to adjust quantities to come within available funds;
 5. There is reason to believe that bids or proposals may not have been independently determined in open competition, may have been collusive, or may have been submitted in bad faith; or
 6. For good cause of a similar nature when it is in the best interest of the EPHA.
- C. The reasons for cancellation shall be documented in the procurement file and the reasons for cancellation and/or rejection shall be provided upon request.
- D. A notice of cancellation shall be sent to all bidders/offerors solicited and, if appropriate, shall explain that they will be given an opportunity to compete on any re-solicitation or future procurement of similar items.
- E. If all otherwise acceptable bids received in response to an IFB are at unreasonable prices an analysis should be conducted to see if there is a problem in either the specifications or the EPHA's cost estimate. If both are determined adequate and if only one bid is received and the price is unreasonable, the Contracting Officer may cancel the solicitation and either
1. Re-solicit using an RFP; or
 2. Complete the procurement by using the competitive proposal method, The Contracting Officer must determine, in writing, that such action is appropriate, must inform all bidders of the EPHA's intent to negotiate, and must give each bidder a reasonable opportunity to negotiate.
- F. If problems are found with specifications, EPHA should cancel the solicitation, revise the specifications and re-solicit using an IFB.

¹ REV:

02/2010

5.7 Credit (or Purchasing) Cards

Credit card usage should follow the rules for all other small purchases. For example, the Contracting Officer may use a credit card for small purchases under \$5,000.00 without obtaining additional quotes, provided that the price is considered reasonable. However, for amounts above \$5,000.00, the contracting officer would generally need to obtain a reasonable number of quotes before purchasing via a credit card.

¹ REV:

02/2010

6.0 **BONDING REQUIREMENTS**

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

- A. Bid Bonds. For construction contracts exceeding \$100,000, a bid guarantee from each bidder equivalent to 5% of the bid price.
- B. Payment Bonds. For construction contracts exceeding \$100,000., the successful bidder shall furnish an assurance of completion. This assurance may be any one of the following four:
 - 1. A performance and payment bond in a penal sum of 100% of the contract price; or
 - 2. Separate performance and payment bonds, each for 50% or more of the contract price; or
 - 3. A 20% cash escrow; or
 - 4. A 25% irrevocable letter of credit.
- C. These bonds must be obtained from guarantee or surety companies acceptable to the U.S. Government and authorized to do business in the State where the work is being performed. Individual sureties shall not be considered. U.S. Treasury Circular Number 570 lists companies approved to act as sureties on bonds securing Government contracts, the maximum underwriting limits on each contract bonded, and the States in which the company is licensed to do business. Use of companies on the circular is mandatory.

7.0 **CONTRACTOR QUALIFICATIONS AND DUTIES**

7.1 Contractor Responsibility

EPHA shall not award any contract until the prospective contractor, i.e. low responsive bidder, or successful offeror, has been determined to be responsible. A responsible bidder/offeror must:

- A. Have adequate financial resources to perform the contract, or ability to obtain them;

¹ REV:

02/2010

- B. Be able to comply with the required or proposed delivery or performance schedule, taking into consideration all bidder's/offeror's existing commercial and governmental business commitments;
- C. Have a satisfactory performance record;
- D. Have a satisfactory record of integrity and business ethics;
- E. Have the necessary organization, experience, accounting and operational controls, and technical skills, or ability to obtain them;
- F. Have the necessary production, construction, and technical equipment and facilities, or the ability to obtain them; and,
- G. Be otherwise qualified and eligible to receive an award under applicable laws and regulations, including not be suspended, debarred or imposed LDP.

under HUD-

If a prospective contractor is found to be non-responsible, a written determination of non-responsibility shall be prepared and included in the official contract file, and the prospective contractor shall be advised of the reasons for the determination.

7.2 **Suspension and Debarment**

Contracts shall not be awarded to debarred, suspended, or ineligible contractors. Contractors may be suspended. Debarred or determined to be ineligible by HUD in accordance with HUD regulations (**24 CFR Part 24**) or by other Federal agencies, e.g. Dept. of Labor for violation of labor regulations, when necessary to protect housing authorities in their business dealings.

7.3 **Vendor Lists**

All interested businesses shall be given the opportunity to be included on vendor mailing lists. Any list of persons, firms or products which are used in the purchase of supplies and services (including construction) shall be kept current and include enough sources to ensure competition.

8.0 **CONTRACT PRICING ARRANGEMENTS**

8.1 Contract Types

Any type of contract which is appropriate to the procurement and which will promote the best interests of the Authority may be used, provided that the **cost methods are plus a percentage of cost and percentage of construction cost not used.** All procurements and contracts shall include the clauses and provisions necessary to define the rights and responsibilities of both the contractor and the EPHA the parties.

¹ REV: 02/2010

For all cost reimbursement contract, EPHA must include a written determination as to why no other contract type is suitable. Further, the contract must include a ceiling price that contractor exceeds at its own risk.

8.2 Options

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

- A. The option is contained in the solicitation;
- B. The option is a unilateral right of the Authority;
- C. The contract states a limit on the additional quantities and the overall term of the contract;
- D. The options are evaluated as part of the initial competition;
- E. The contract states the period within which the options may be exercised;
- F. The options may be exercised only at the price specified in or reasonably determinable from the contract; and
- G. The options may be exercised only if determined to be more advantageous to the EPHA than conducting a new procurement.

9.0 CONTRACT CLAUSES

All contracts should identify the contract pricing arrangement as well as other pertinent terms and conditions, as determined by the EPHA.

Additionally, the forms HUD-5369, 5369-A, 5369-B, 5370, 5370-C and 51915-A, which contain all HUD-required clauses and certifications for contracts of more than \$100,000.00, as well as any forms/clauses as required by HUD for small purchases, shall be used in all corresponding solicitations and contracts issued by the Authority.

10.0 CONTRACT ADMINISTRATION

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

¹ *REV:*

02/2010

11.0 **SPECIFICATIONS**

General

All specifications shall be drafted so as to promote overall economy for the purpose intended and to encourage competition in satisfying EPHA needs. Specifications shall be reviewed prior to issuing any solicitation to ensure that they are not unduly restrictive or represent unnecessary or duplicative items. Function or performance specifications are preferred. Detailed product specifications shall be avoided whenever possible. Consideration shall be given to consolidating or breaking out procurements to obtain a performed to determine the most economical, form of procurement.

Limitation

The following types of specifications shall be avoided:

- A. geographic restrictions not mandated or encouraged by the applicable Federal law (except for A/E contracts, which may include geographic location as a selection factor if adequate competition is available);
- B. brand name specifications (unless the specifications list the minimum essential characteristics and standards to which the item must conform to satisfy its intended uses).

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

12.0 **APPEALS AND REMEDIES**

12.1 **General**

It is the EPHA's policy to resolve all contractual issues informally without litigation. Disputes shall not be referred to HUD unless all administrative remedies have been exhausted. When appropriate, a mediator may be used to help resolve differences.

12.2 **Informal Appeals Procedure**

The EPHA shall adopt an Informal bid/protest procedure for contracts of \$100,000.00 or less. Under these procedures, the bidder/contractor may request to meet with the appropriate Contract Officer.

12.3 Formal Appeals Procedure

A formal appeals procedure shall be established for solicitations/contracts of more than \$100,000.00

¹ REV:

02/2010

A. Bid Protest

Any actual or prospective contractor may protest the solicitation or award of a contract for serious violations of the principles of this Policy. Any protest against a solicitation must be received before the due date for 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. All bid protests shall be in writing and submitted to the Contracting Officer or designee, who shall issue a written decision on the matter. The Contracting Officer may, at his or her discretion, suspend the procurement pending resolution of the protest, if warranted by the facts presented.

B Contract Claims

All claims by a contractor relating to performance of a contract shall be submitted in writing to the Contracting Officer, or designee, for a written decision. The contractor may request a conference on the claim. The Contracting Officer's decision shall inform the contractor of its appeal rights to the next higher level of authority of the EPHA. Contractor claims shall be governed by the Changes clause in form HUD-5370.

13.0 ASSISTANCE TO SMALL AND OTHER BUSINESSES

13.1 Required Efforts

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

- A. Including such firms, when qualified, on solicitation mailing lists;
- B. Encouraging their participation through direct solicitation of bids or proposals whenever they are potential sources;

- C. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by such firms;
- D. Establishing delivery schedules, where the requirement permits, which encourage participation by such firms;
- E. Using the services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce;

¹ REV:

02/2010

- F. Including in contracts a clause requiring contractors, to the greatest extent feasible, to provide opportunities for training and employment for lower income residents of the development area and to award subcontracts for work in connection with the project to business concerns which provide opportunities to low-income residents, as described in **24 CFR 135**; (so called Section 3 businesses); and
- G. Requiring prime contractors, when subcontracting is anticipated, to take the positive steps listed above.

13.2 Definitions

1. **A small business** is defined as a business that is independently owned; not dominant in its field of operation; and not an affiliate or subsidiary of a business dominant in its field of operation. The size standards in **13 CFR** Part **121** shall be used to determine business size, unless the Authority determines that their use is inappropriate.
2. **A minority-owned business** is defined as a business which is at least 51% owned by one or more minority group members; or, in the case of a publicly-owned business, one in which at least 51% of its voting stock is owned by one or more minority group members, and whose management and daily business operations are controlled by one or more such individuals. Minority group members include, but are not limited to, Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans and Asian Indian Americans, and Hasidic Jewish Americans.
3. **Women's business enterprise** is defined as a business that is at least 51% owned by a woman or women who are U.S. citizens and who also control or operate the business.
4. **A Section 3 business concern** located in the area of the development is defined as an individual or firm located within the relevant Section 3 covered development area, as determined pursuant to **24 CFR 135.15**;

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

14.0 **BOARD APPROVAL OF PROCUREMENT ACTIONS**

In addition to approval of this Procurement Policy, approval of the Board of Commissioners will be required for purchases over \$25,000.00. The exception being,

¹ REV:

02/2010

that if said purchase or contract is deemed to be of an emergency nature or the timing of the next Commissioner's meeting would delay the purchase or contract to a degree that would be detrimental to the EPHA. In either case, the Executive Director would submit to the Commissioners, at the earliest possible date, said procurement action for ratification. It is the responsibility of the Executive Director to make sure that all procurement actions are conducted in accordance with the policies contained herein.

15.0 **DELEGATION OF CONTRACTING AUTHORITY**

While the Executive Director is responsible for ensuring that the EPHA's procurements comply with this Policy, the Executive Director may delegate some or all procurement authority as is necessary and appropriate to conduct the business of the Agency.

16.0 **DOCUMENTATION**

The EPHA must maintain records sufficient to detail the significant history of each procurement action. The records shall include, but shall not necessarily be limited to the following:

- A. Rationale for the method of procurement (if not self-evident);
- B. Rationale of contract pricing arrangement (also if not self-evident);
- C. Reason for accepting or rejecting the bids or offers;
- D. Basis for the contract price (as prescribed in this handbook);
- E. A copy of the contract documents awarded or issued and signed by the Contracting Officer;

- F. Basis for contract modifications; and
- G. Related contract administration actions.

The level of documentation should be commensurate with the value and complexity of the procurement.

Records are to be retained for a period of three (3) years after final payment and all matters pertaining to the contract are closed.

17.0 **DISPOSITION OF SURPLUS PROPERTY**

Property no longer necessary for the EPHA’s purposes (non-real property) shall be transferred, sold or disposed in accordance with applicable Federal, state and local laws and regulations. ¹ *REV:*
02/2010

18.0 **FUNDING AVAILABILITY**

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

19.0 **SELF-CERIFICATION**

The EPHA self-certifies that the Procurement Policy, and the EPHA’s procurement system, complies with all applicable Federal regulations and as such, the EPHA is exempt from prior HUD review and approval of individual procurement action.

20.0 **SELF-CERTIFICATION**

The EPHA self-certifies that this Procurement Policy, and the EPHA procurement system, complies with all applicable Federal regulations and, as such, the EPHA is exempt from prior HUD review and approval of individual procurement action.

21.0 **ARRA FUND USE**

In conjunction with the use of any and all funds received under the American Recovery and Reinvestment Act of 2009, The EPHA shall comply with all provisions of said act and 24 CFR Part 85.36. The EPHA shall also comply with the “Buy American “ requirement of Section 1605, (2 CFR Part 176).

¹ *REV: 02/2010*