



*PROCUREMENT  
POLICY – 2017*

Per Resolution #8321

June 20, 2017

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#8385

April 17, 2018

**Lucas Metropolitan Housing Authority  
Procurement Policy  
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### **Procurement Policy**

**Resolution No. 8321 approved new policy (6-20-17)**

**Resolution No. 8384 approved updating spending thresholds & levels of authority (4-17-18)**

**Resolution No. 8385 updating spending thresholds & levels of authority in Appendix 1 (4-17-18)**

# Lucas Metropolitan Housing Authority

## POLICY STATEMENT

Established for Lucas Metropolitan Housing Authority (LMHA) pursuant to approval of Resolution #8321 by LMHA's Board of Commissioners on June 20, 2017. This Statement of Procurement Policy complies with HUD's Annual Contributions Contract (ACC) between LMHA and the United States Department of Housing and Urban Development (HUD), Federal Regulations at 2 CFR 200.317 through 200.326, Procurement Standards, the procurement standards of the Procurement Handbook for Public Housing Authorities (PHAs), HUD Handbook 7460.8 Rev 2, and applicable State and Local Laws.

## 1.0 GENERAL PROVISIONS

### 1.1 PURPOSE

Through this procurement policy, LMHA will:

- a. Provide a procurement system of quality and integrity;
- b. Ensure fair and equitable treatment of all persons or firms involved in purchasing with LMHA;
- c. Ensure that supplies and services (including construction) are procured efficiently, effectively, and at the most favorable and valuable prices available;
- d. Promote competition in contracting; and
- e. Assure full compliance with applicable Federal standards, HUD regulations, and State and local laws.

### 1.2 APPLICATION

This policy applies to all procurement actions taken by LMHA, regardless of the source of funds, except as noted under "exclusions" below. However, additionally, nothing in this policy shall prevent LMHA 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

**Procurement** - the term "procurement" as used in this policy, includes procuring, purchasing, leasing, or renting of:

- a. Goods, supplies, equipment, and materials
- b. Construction and maintenance; consultant services
- c. Architectural and Engineering (A/E) services
- d. Social Services
- e. Other services

### 1.4 EXCLUSION

This policy does not govern administrative fees earned under HCV voucher program, the award of vouchers under the HCV 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 990. These excluded areas are subject to applicable State and local requirements.

### **1.5 CHANGES IN LAW 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 Ohio's Sunshine Laws. The Ohio Sunshine laws refer to Ohio's Public Records Act and Ohio's Open Meetings Act. These statutory laws are based on the notion that there should be "openness" in government, with public access to records and meetings and the conduct and activities of government.

## **2.0 ETHICS IN PUBLIC CONTRACTING**

### **2.1 GENERAL**

LMHA establishes this code of conduct regarding procurement issues and actions and shall implement a system of sanctions for violations. This code of conduct, and systems for sanctions, is consistent with applicable Federal, State and local law. A present or former LMHA employee or, an employee of an affiliate shall not engage in selling or attempting to sell supplies, services, or construction to LMHA for one year following the date such employment ceased.

### **2.2 CONFLICTS OF INTEREST**

No employee, affiliate, officer, Board member, or agent of LMHA shall participate directly or indirectly in the selection, award, or administration of any contract if a conflict of interest, either real or apparent, would be involved. For example, a conflict of interest exists if a person listed below has a financial or any other type of interest in a firm competing for the award:

- a. An employee, affiliate, officer, Board member or agent involve 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 or 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 of LMHA shall ask for or accept gratuities, favors, or items on more than nominal value (i.e. inexpensive hat with logo) from any contractor, potential contractor, or party to any subcontract, and shall not knowingly use confidential information for actual or anticipated personal gain.

#### **2.4 PROHIBITION AGAINST CONTINGENT FEES**

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

### **3.0 PROCUREMENT PLANNING**

#### **3.1 GENERAL**

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

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

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

#### **3.2 GLOSSARY**

**Acceptance** – The act of an authorized representative of LMHA acknowledging the supplies or services delivered to or received by LMHA conform to contract requirements.

**Affiliate** - an entity associated with another through common ownership or control. An entity having one or more common owners (owning 5% or more of the stock of such entity), principals, or officers.

**Addendum** - If a change to the IFB / RFP/ QSP, e.g., specifications, plans, date or time for bid opening, etc., becomes necessary after it has been issued, the change must be accomplished by issuing a written addendum. The addendum must indicate the IFB / RFP/ QSP number, project title, issue date of the original solicitation, and formally detail each change. Each addendum must be noted on the PHA's solicitation log. A copy of the addendum should be e-mailed to each prospective bidder who was provided the initial solicitation package with acknowledgement required, and uploaded to the NAHRO site or online procurement site where the solicitation has been placed. If an addendum needs to be issued just before the scheduled bid opening date, the bid opening should be postponed for an adequate period of time to permit the potential bidders to fully analyze the change and to submit timely bids.

**Apparent Lowest Bidder** - the Bidder submitting the bid which, at time of bid-opening appears to be the lowest dollar amount for the products or services being solicited (before evaluation of any criteria to determine responsive, responsible, or other factors.)

**Architect/Engineer (A/E) Services** – Licensed professional services within the scope of the practice of architecture and engineering as defined by the Laws of the State of Ohio.

**Bid** – The price submitted by a bidder in the sealed bidding method of procurement.

**Bidder's List** – General list of persons or firms who may be interested in contracting opportunities with the PHA, and in submitting bids in response to an Invitation for Bid.

**Board** – LMHA Board of Commissioners

**Contractor** - an individual or entity entering into a contract with LMHA pursuant to the Procurement Policy.

**Cure Notice** – A document originated by the Contracting Officer and sent to notify the contractor that the contract may be terminated for default unless performance is corrected within a specified number of days.

**Davis-Bacon Act** – Applies to contractors and subcontractors performing on federally funded or assisted contracts in excess of \$2000 for the construction, alteration, or repair (including painting and decorating) of public buildings or public works. Davis-Bacon Act contractors and subcontractors must pay their laborers and mechanics employed under the contract no less than the locally prevailing wages and fringe benefits for corresponding work on similar projects in the area.

**Independent Cost Estimate (ICE)** – An estimate prepared by LMHA of the costs of the goods or services to be acquired prior to obtaining offers.

**Intergovernmental or Interagency Agreement** – An agreement between LMHA and a federal, state, or local government agency (including other PHAs) for the provision of supplies or services. In recent years, the terms Cooperative Agreement, Intergovernmental Agreement or, Consortium Agreement have been used interchangeably and are treated the same for the purposes of this handbook.

**Modification** – clarification of work that has resulted from a change order or a change in terms or contract price.

**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.

**Noncompetitive Proposals** – Procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate.



**Offeror** - The general term for the entity that submits a response to a solicitation (Small Purchases, RFP or RFQ). For the purposes of this handbook, offeror may be used interchangeably with proposer, or respondent.

**Protest** - A dispute signified by filing written objections to the determination of responsive, responsible, or award of a contract that contains a statement of the determination being protested, the basis of the protest, and what relief is being requested and is made within (10) days of notification of the determination being protested.

**Quotation** – The price or cost submitted by a vendor in the small purchase procedures method.

**Request for Proposals (RFP)** – Solicitation method used under both the competitive or 1non-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.

**Responsible Bidder** – A bidder who is able to comply with the required or proposed delivery or performance schedule; has a satisfactory performance record; has a satisfactory record of integrity and business ethics; has the necessary organization, experience, accounting and operational controls, and technical skills, or the ability to obtain them; has the necessary production, construction, and technical equipment and facilities, or the ability to obtain them; and is otherwise qualified and eligible to receive an award under applicable laws and regulations, including the fact that the bidder is not suspended, debarred or under a HUD-imposed Limited Denial of Participation.

**Responsive Bid** – A bid that conforms exactly to the requirements in the Invitation for Bids (IFB).

**Section 3** - The purpose of Section 3 is to ensure that, to the greatest extent feasible, employment, training, and business opportunities created by HUD financial assistance be directed to low and very-low income persons. Efforts to promote Section 3 objectives must be consistent with existing Federal, State and local laws and regulations.

**Sealed Bidding** – A method of procurement 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 (2 CFR 200.317 through 200.326).

**Solicitation** – The general term for the agency’s request for offers from potential offerors. A solicitation package generally contains the proposed Statement of Work, including contract terms and conditions, instructions to potential offerors regarding the submission of an offer, evaluation criteria, and any other information needed to prepare an offer.

**Specifications or Scope** – Description of the technical requirements of a contract.

**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 and maintenance contracts.

**Subsidiary** – A type of operating entity created and operated by a PHA over which it has a controlling interest. It may be wholly owned or controlled by the PHA and may be a nonprofit organization.

**System for Award Management (SAM)** - A website maintained by the US General Services Administration, GSA, which allows users to register to do business with the US government. LMHA uses the SAM database to verify if contractors, seeking to do business with LMHA, have been excluded from being awarded government contracts.

**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.

**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.

**Time Delay** – An interruption during which supplies are not delivered or services or work are not completed in accordance with the performance schedule stated in the contract.

**Vendor List** – List of persons or firms qualified to do business with the PHA.

## 4.0 PROCUREMENT METHODS

### 4.1 PETTY CASH PURCHASES

Purchases under \$75.00 may be handled through the use of a petty cash account. Petty Cash purchases may be established in an amount sufficient to cover small purchases made during a reasonable period, e.g., one month. For all petty cash accounts, LMHA shall ensure that security is maintained and only authorized individuals have access to the account. These accounts shall be reconciled and replenished periodically.

### 4.2 MICRO-PURCHASES

For purchases less than \$2,000 (unless otherwise approved) only one quote is required, provided the quote is considered reasonable. This shall allow for emergencies and those purchases that might fall under a higher threshold, under \$3000 for non-construction equipment, materials or, services.

### 4.3 SMALL PURCHASE PROCEDURES

For any amounts above the Micro-Purchases ceiling, but not exceeding \$50,000 LMHA may use small purchase procedures. Under small purchase procedures, LMHA shall obtain a reasonable number of quotes (preferably three). To the greatest extent feasible, and to promote competition, small purchases should be distributed among qualified sources. Quotations for Small Purchases (QSP) or quotes may be obtained in writing, orally (in person or by phone) email or, e-procurement. If the award is going to result in an Indefinite Quantity Contract (IQC), then the QSP shall be a public solicitation.

Award shall be made to the responsive and responsible vendor that submits the lowest price; documentation shall be provided in the contract file. The IQC provides for delivery of an indefinite quantity within stated limits (a minimum and maximum quantity) of supplies or services during a fixed period. Requirements can be stated as a number of units or as dollar values. The contract also contains a ceiling on the total amount that may be ordered. The initial contract obligates funds for the minimum quantity, but thereafter funds are obligated by delivery order.

LMHA shall not break down requirements aggregating more than the small purchase threshold (or Micro-Purchase threshold of \$2,000) into several smaller purchases that are less than the applicable threshold merely to: (1) permit use of the small purchase procedures or (2) avoid any requirements that applies to purchases that exceed the Micro-Purchase threshold.

- a. **Credit (or Purchasing) Cards:** Credit card usage should follow the rules for all other small purchases. For example, the Contracting Officer may use a credit card for Micro Purchases without obtaining additional quotes provided the price is considered reasonable. However, for amounts above the Micro Purchase level, the Contracting Officer would generally need to have obtained a reasonable number of quotes before purchasing via a credit card. When using credit cards, LMHA shall adopt reasonable safeguards to assure that they are used only for intended purposes (for instance, limiting the types of purchases or the amount of purchases that are permitted with credit cards). The credit (or purchasing) cards shall not be used for personal use under any circumstances.

#### 4.4 SEALED BIDS

Sealed bidding, also known as Invitation for Bids (IFB), shall be used for all contracts that exceed the small purchase threshold and that are not competitive proposals or non-competitive proposals, as these terms are defined in this Policy. Under sealed bids, LMHA publicly solicits bids and awards a firm, fixed-priced contract (lump sum or unit price) to the responsive and responsible bidder whose bid, conforming to all the material terms and conditions of the IFB, is the lowest in price. Sealed bidding is the preferred method for procuring construction, supply, and non-complex service contracts that are expected to exceed \$50,000.

- a. **Conditions for Using Sealed Bids:** LMHA 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; three or more responsive bidders are willing and able to compete effectively for the work; the contract can be awarded based on a firm fixed price; and the selection of the successful bidder can be made principally on the lowest price.
- b. **Solicitation and Receipt of Bids:** An IFB is issued which includes the specifications and all contractual terms and conditions applicable to the procurement, and a statement that award will be made to the lowest responsive and responsible bidder whose bid meets the requirements of the solicitation. The IFB must state the time and place for both receiving the bids and the public opening. All bids will be received online through the link that is provided in the solicitation and remain unopened until the public bid opening. Bid bonds shall be submitted to LMHA and

received prior to public bid opening. A bidder may withdraw the bid at any time prior to the bid opening. Faxed, emailed or USPS mailed bids will not be considered.

- c. **Bid Opening and Award:** Bids shall be opened publicly and in the presences of at least one witness. All bids received shall be recorded on an abstract (tabulation) of bids, which shall then be made available for public inspection. If equal low bids are received from responsible bidders, selection shall be made by drawing lots or other similar random method. The method for doing this shall be stated in the IFB. If only one responsive bid is received from a responsible bidder, award shall not be made unless the price can be determined to be reasonable, based on a cost or price analysis.
- d. **Bonding Requirements:** The standards under this section apply to construction contracts that exceed \$50,000. There are no bonding requirements for small purchases or for competitive proposals. LMHA may require bonds in these latter circumstances when deemed appropriate; however, non-construction contracts should generally not require bid bonds.
  1. **Bid Guarantee:** For construction contracts exceeding \$50,000, offerors shall be required to submit a bid guarantee equivalent to 5% of the bid price (via certified check, bank draft, U.S. Government bond, Bid bond). HUD states: "The bid bond ensures that the bidder will execute the contractual documents that are required within the time specified in the solicitation, or forfeit all or part of the guarantee. A certified check, bank draft, U.S. Government Bonds at par value, bid bond secured by an acceptable surety company, or other negotiable instrument may be accepted as a bid guarantee".
  2. **Assurance of Completion:** For construction contracts exceeding \$50,000, the successful bidder shall furnish an Assurance of Completion prior to execution of the contract. This assurance may be any one of the following:
    - a) A payment and performance bond in the penal sum of 100% of the contract price;
    - b) A 20% cash escrow of the contract price; or
    - c) A 25% irrevocable letter of credit for the contract price.

These bonds must be obtained from guarantee or surety companies acceptable to the State of Ohio, and the U.S. Government and authorized to do business in the State of Ohio.

Bonding and contract requirements shall be in accordance with 24 CRF 905.316.

- e. **Mistakes in Bids:** Before bid opening, a correction or withdrawal of a bid may be permitted by written notice received in the office designated in the Invitation for Bid ("IFB"), 24 hours before bid opening.

After bid opening, a bidder is not permitted to change a bid, unless a specific exception applies. An exception exists if there is a math calculation error. A bidder must notify LMHA within 24 hours after bid opening of bidder's math error. In rare cases, the Contracting Officer may permit the revision of a bid if the bidder is able to

present clear and convincing evidence, acceptable to the Contracting Officer, of a mistake and the intended bid price. Allowing changes to bids without appropriate evidence may compromise the integrity of the public bid process and serve to undermine public confidence in LMHA's bidding process. Therefore, the Contracting Officer should request as much evidence as he or she deems necessary to make an informed decision. Examples of evidence may include: original work papers, bids from suppliers and subcontractors used to develop the bid, bonding or insurance evidence supporting a different bid price, etc. Failure or refusal by a bidder to provide adequate evidence shall result in the original bid remaining unchanged. LMHA personnel should consult with its legal counsel before allowing a change in bid. If justified, a low bidder can be replaced with the next lowest bidder. However, no changes prejudicial to the interest of LMHA or fair competition shall be permitted. The decision to allow correction of a bid shall be supported by a written determination signed by the Contracting Officer.

#### 4.5 COMPETITIVE PROPOSALS

Unlike sealed bidding, the competitive proposal method, also known as Request for Proposals (RFP), permits: consideration of technical factors other than price; discussion with offerors concerning offers submitted; negotiation of contract price or estimated cost and other contract terms and conditions; revision of proposals before the final contractor selection; and the withdrawal of an offer at any time up until the point of award. Award is normally made and other factors, e.g. technical expertise, past experience, quality of proposed staffing, consideration of Section 3 participation, etc., set forth in the solicitation and not solely on the lowest price.

- a. **Conditions for Use:** Where conditions are not appropriate for the use of sealed bidding, competitive proposals may be used. Competitive proposals are the preferred method for procuring professional services that exceed the small purchase threshold. As detailed within Section 7.2.B of HUD Procurement Handbook 7460.8 REV 2, "Only under limited circumstances would construction services be procured by competitive proposals", accordingly, construction services will most typically be procured utilizing the sealed bid (IFB) or quotation for small purchases procedure (QSP).
- b. **Form of Solicitation:** Other than A/E services, developer-related services and energy performance contracting, competitive proposals shall be solicited through the issuance of an RFP. The RFP shall clearly identify the importance and relative value of each of the evaluation factors as well as any sub-factors 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 offerors, and the contents of their proposals until after the award. LMHA may assign the proposal price a specific weight in the evaluation factors or, LMHA may consider the proposer's experience in conjunction with technical factors; in either case, the method for evaluating the proposal price shall be established in the RFP.
- c. **Upload: Submittal of Solicitation:** LMHA is seeking electronic submissions only. An electronic PDF file is to be submitted to the attention of Procurement and Contracts. The file must be labeled with the Respondent's Name, RFP (QSP) Title, RFP (QSP) Number, and Due Date. Contractor's shall click on [LMHA's Online Vendor Proposal Upload Form link](#) or the link that is provided in the solicitation documents and upload required documents to complete timely submission for this RFP. Items requested must be received via this

method. Failure to submit said documents by the stated deadline may make the Contractor ineligible for award.

- d. **Evaluation:** The proposals shall be evaluated only on the factors stated in the RFP. Where not apparent from the evaluation factors, LMHA shall establish an Evaluation Plan for each RFP. Generally, all RFP's shall be evaluated by an appropriately appointed Evaluation Committee. The Evaluation Committee shall be required to disclose any potential conflicts of interest and to sign a Non-Disclosure statement. An Evaluation Report, summarizing the results of the evaluation, shall be prepared prior to award of a contract. The Section 3 Coordinator shall provide a Section 3 Compliance evaluation summary, the Procurement Department shall provide a cost analysis, and the Purchasing Department will verify references and provide Due Diligence analysis.
- e. **Negotiations:** Negotiations shall be conducted with all offerors who submit a proposal determined to have a reasonable chance of being selected for award, unless it is determined that negotiations are not needed with any of the offerors. This determination is based on the relative score of the proposals as they are evaluated and rated in accordance with the technical and price factors specified in the RFP. These offerors shall be treated fairly and equally with respect to any opportunity for negotiation and revision of their proposals. No offeror shall be given any information about any other offeror's proposal, and no offeror shall be assisted in bringing its proposal up to the level of any other proposal. A common deadline shall be established for receipt of proposal revisions based on negotiations.

Negotiations are exchanges (in either competitive or sole source environment) between LMHA and offerors that are undertaken with the intent of allowing the offeror to revise its proposal. These negotiations may include bargaining. Bargaining includes persuasion, alteration of assumptions and positions, give-and-take, and may apply to price, schedule, technical requirements, type of contract or other terms of a proposed contract. When negotiations are conducted in a competitive acquisition, they take place after establishment of the competitive range and are called discussions. Discussions are tailored to each offeror's proposal, and shall be conducted by the contracting officer with each offeror within the competitive range. The primary object of discussions is to maximize LMHA's ability to obtain best value, based on the requirements and the evaluation factors set forth in the solicitation. The contracting officer shall indicate to, or discuss with, each offeror still being considered for award, significant weaknesses, deficiencies, and other aspects of its proposal (such as technical approach, past performance, and terms and conditions) that could in the opinion of the contracting officer, be altered or explained to enhance materially the proposer's potential for award. The scope and extent of discussions are a matter of the Contracting Officer's judgment. The contracting officer may inform an offeror that their price is considered by LMHA to be too high, or too low, and reveal the results of the analysis supporting that conclusion. The Contracting Officer may accept the offeror's Best and Final Offer.

It is also permissible to indicate to all offerors the cost or price that LMHA's price analysis, market research, and other reviews have identified as reasonable. "Auctioning" (revealing one offeror's price in an attempt to get another offeror to lower their price) is prohibited.

- f. **Award:** After the evaluation of the revised proposals, and subject to the approval of the Board of Commissioners, the contract shall be awarded to the responsible firm (s) whose technical approach to the project, qualifications, price and / or any other factors considered, are most advantageous to LMHA provided that the price is within the maximum total project budgeted amount established for the specific property or activity.
- g. **A/E Services:** LMHA shall contract for A/E services using Qualifications-based Selection (RFQ) procedures, utilizing a Request for Qualifications (RFQ). Sealed bidding shall not be used for A/E solicitations. Under the RFQ procedures, competitor's qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. Price is not used as a selection factor under this method. RFQ procedures should not be used to purchase other types of services, other than Energy Performance Contracting and Developer services, though architectural / engineering firms are potential sources. HUD states, "The Qualifications-Based Selection (QBS) method is conducted using an RFQ".

#### 4.6 NON-COMPETITIVE PROPOSALS

- a. **Conditions for use:** Procurement by noncompetitive proposals (sole- or single-source) may be used only when the award of a contract is not feasible using small purchase procedures, sealed bids, cooperative purchasing, or competitive proposals, and if one of the following applies:
  1. The item is available only from single source, based on a good faith review of available sources for such need, and said review is documented;
  2. An emergency exists that seriously threatens the public health, welfare, or safety, or endangers property, or would otherwise cause serious injury to LMHA, as may arise by reason of a flood, earthquake, epidemic, riot, equipment failure, or similar event. In such cases, there must be an immediate and serious need for supplies, services, or construction such that the need cannot be met through any of the other procurement methods, and the emergency procurement shall be limited to those supplies, services, or construction necessary to meet the emergency;  
HUD authorizes the use of noncompetitive proposals;
  3. The purchase is made under a federal, state or local purchase agreement;
  4. If after solicitation of a number of sources, competition between responsible providers is determined to be inadequate.
- b. **Justification:** Each purchase based on noncompetitive proposals shall be supported by a written justification for the selection of this method. The justification shall be approved in writing by the responsible Contracting Officer. Poor planning or lack of planning is not justification for emergency or sole-source procurements. The justification, to be included in the procurement file, should include the following information:
  1. Description of the requirement;
  2. History of prior purchases and their nature (competitive vs. noncompetitive);
  3. The specific exception in 2 CFR 200.320(f)(1)-(4) which applies;
  4. Statement as to the unique circumstances that require award by non-competitive proposals;

5. Description of the efforts made to find competitive sources (advertisement in trade journals or local publications, phone calls to local suppliers, issuance of a written solicitation, etc.);
6. Statement as to the efforts that will be taken in the future to promote competition for the requirement;
7. Signature by the Contracting Officer's supervisor (or someone above the level of the Contracting Officer);
8. Price Reasonableness. The reasonableness of the price for all procurements based on noncompetitive proposals shall be determined by performing an analysis, as described in this policy.

#### **4.7 MULTI-STEP (TWO STEP) BID PROCESS**

The multi-step procedure is designed to obtain the benefits of sealed bidding and the benefits of competitive proposals.

1. Technical proposals alone are requested first, from any interested, qualified party. Proposals evaluated for acceptability and negotiations held.
2. The second step is to follow normal sealed bid process except that only bidders with acceptable technical proposals may bid and each bidder's price is based on its own technical proposals.

This process is very effective for equipment contracts with performance specifications rather than detailed design specifications.

#### **4.8 COOPERATIVE PURCHASING, INTERGOVERNMENTAL AGREEMENTS**

LMHA may enter into agreements with other Public Housing Authorities; other Ohio Metropolitan Housing Authorities; state and local cooperatives and intergovernmental agencies to purchase or use common supplies, equipment, or services. The decision to use an interagency agreement instead of conducting a direct procurement shall be based on economy and efficiency. If used, the interagency agreement shall stipulate who is authorized to purchase on behalf of the participating parties and shall specify inspection, acceptance, termination, payment, and other relevant terms and conditions. LMHA may use federal or state excess and surplus property instead of purchasing new equipment and property, if feasible, as it will result in a reduction of project costs. The goods and services obtained under a cooperative purchasing agreement must be procured in accordance with 2 CFR 200.317 through 200.326.

### **5.0 INDEPENDENT COST ESTIMATE (ICE)**

#### **5.1 GENERAL**

The ICE is LMHA's estimate of the costs of the goods or services to be acquired under a contract or a modification. It serves as LMHA's yardstick for evaluating the reasonableness of the contractor's proposed costs or prices.

- a. For all purchases above the Micro Purchase threshold, LMHA shall prepare an ICE prior to solicitation. The level of detail shall be commensurate with the cost and complexity of the item to be purchased.
- b. The ICE serves as the primary in-house gauge of cost and price reasonableness, but it should not be relied upon to the exclusion of other sources of pricing information. Market



conditions may fluctuate between the time the ICE is prepared and the receipt of offers. For example, materials or labor costs may have increased or decreased. If a significant period of time has elapsed, or the PHA knows that certain market conditions have changed, the Contracting Officer should request that an updated ICE be prepared to use in evaluating offers.

## 6.0 COST AND PRICE ANALYSIS (CPA)

### 6.1 GENERAL

LMHA shall require assurance that, before entering into a contract, the price is reasonable, in accordance with the following instructions:

- a. **Petty Cash and Micro Purchases:** No formal cost or price analysis is required. Rather, the execution of a contract by the Contracting Officer (through a purchase order or other means) shall serve as the Contracting Officer's determination that the price obtained is reasonable, which may be based on the Contracting Officer's prior experience or other factors.
- b. **Small Purchases:** A comparison with other offers shall generally be sufficient determination of the reasonableness of price and no further analysis is required. If a reasonable number of quotes are not obtained to establish reasonableness through price competition, the Contracting Officer shall document price reasonableness through other means, such as prior purchases of this nature, catalog prices, the Contracting Officer's personal knowledge at the time of purchase, comparison to the ICE, or any other reasonable basis. Quotes and other documentation shall accompany the purchase requisition.
- c. **Sealed Bids:** The presence of adequate competition should generally be sufficient to establish price reasonableness. Project procurement summary will recap the recommended awardee. Where sufficient bids are not received, and when the bid received is substantially more than the ICE, and where LMHA cannot determine price reasonableness, LMHA must conduct a cost analysis, consistent with Federal guidelines, to ensure the price paid is reasonable.
- d. **Competitive Proposals:** The presence of adequate competition should generally be sufficient to establish price reasonableness. Where sufficient proposals are not received, LMHA must compare the price with the ICE. For competitive proposals where prices cannot be easily compared among offerors, where there is not adequate competition, or where the price is substantially greater than the ICE, LMHA must conduct a cost analysis, consistent with Federal guidelines, to ensure that the price paid is reasonable.
- e. **Contract Modifications:** A cost analysis, consistent with Federal guidelines, (state guidelines) shall be conducted for all contract modifications for projects that were procured through Sealed Bids, Competitive Proposals, or Noncompetitive Proposals, or for projects originally procured through Small Purchase procedures and the amount of the contract modifications will result in a total contract price in excess of \$50,000. Board

approval (of resolution) is required for all modifications in excess of the \$50,000 threshold.

## 7.0 SOLICITATION AND ADVERTISING

### 7.1 METHOD OF SOLICITATION

- a. **Petty Cash and Micro Purchases:** LMHA may contact only one source if the price is considered reasonable.
- b. **Small Purchases:** Quotes may be solicited in writing.
- c. **Sealed Bids and Competitive Proposals:** Solicitation must be done publicly. LMHA must use one or more of the following solicitation methods, provided that the method employed provides for meaningful competition: per **R.C. 3735.36**: “provides that when a PHA has acquired the property necessary for any project, it shall proceed to make plans and specifications for carrying out the project and shall advertise for bids, and award a contract to the lowest and best bidder”. LMHA shall proceed to make plans and specifications for carrying out such project, and shall advertise for bids for all work that it desires to have done by contract, such advertisements to be published as once a week for two consecutive weeks in a newspaper of general circulation in LMHA’s jurisdiction, which is all of Lucas County, except for Harding Township, via:
  1. Advertising in newspapers or other print mediums of local or general circulations.
  2. Advertising in various trade journals or publications (for construction).
  3. E-Procurement: LMHA may conduct its public procurements through the Internet using e-procurement systems. However, all e-procurements must otherwise be in compliance with 2 CFR 200.317 through 200.326, State and local requirements, and LMHA’s Procurement Policy.
- d. **Time Frame:** For those cases when public advertising is required (IFB, RFP, RFQ) the solicitation must be run for a period sufficient to achieve effective competition, which, in the case of paid advertisements, should generally be run not less than once a week for two consecutive weeks. State or local law may impose additional advertising requirements.
- f. **Form:** Notices/advertisements should state, at a minimum, the place, date, and time that the bids or proposals are due, the solicitation number, a contact that can provide a copy of, and information about, the solicitation, and a brief description of the needed item or service(s).
- g. **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 President and Chief Executive Officer (President/CEO) may allow for a shorter period under extraordinary circumstances.
- h. **Cancellation of Solicitations:**
  1. An IFB, RFP, or other solicitation may be cancelled before bids/offers are due if:
    - a) The supplies, services or construction is no longer required;
    - b) The funds are no longer available;

- c) Proposed amendments to the solicitation are of such magnitude that a new solicitation would be best;
  - d) Other similar reasons; or
  - e) Extenuating circumstances beyond LMHA's control.
2. A solicitation may be cancelled and all bids or proposals that have already been received may be rejected if:
- a) The supplies or services (including construction) are no longer required;
  - b) Ambiguous or otherwise inadequate specifications were part of the solicitation;
  - c) All factors of significance to LMHA were not considered;
  - d) Prices exceed available funds and it would not be appropriate to adjust quantities to come within available funds;
  - e) There is a 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
  - f) For good cause of a similar nature when it is in the best interest of LMHA.
3. The reasons for cancellation shall be documented in the procurement file and the reasons for cancellation and/or rejection shall be provided upon request.
4. A notice of cancellation shall be sent to all bidders/offerors solicited and, if appropriate, shall explain that they will be given an opportunity to compete on any re-solicitation or future procurement of similar items. If all otherwise acceptable bids received in response to an IFB are at unreasonable prices, an analysis should be conducted to determine if there is a problem in either the specifications or LMHA'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 Re-solicit using an RFP; or 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 LMHA's intent to negotiate, and must give each bidder a reasonable opportunity to negotiate. If problems are found with the specifications, LMHA should cancel the solicitation, revise the specifications and re-solicit using an IFB.

## **8.0 CONTRACTOR QUALIFICATIONS AND DUTIES**

### **8.1 CONTRACTOR RESPONSIBILITY**

- a. LMHA shall not award any contract until the prospective contractor, i.e., lowest responsive bidder, or successful offeror, has been determined to be responsible. A responsible bidder /offeror must:
  - 1. Have adequate financial resources to perform the contract, or the ability to obtain them; per R.C. 9.312 the provision of a bid guaranty in accordance with R.C. 153.54 (A) (1) and (B) issued by a surety licensed to do business in Ohio is evidence of financial responsibility, however, LMHA may request additional financial information to review from an apparent lowest bidder after it opens all submitted bids.

2. Be able to comply with the required or proposed delivery or performance schedule, taking into consideration all of the bidder's/offeror's existing commercial and governmental business commitments; (verification by information on all other active contracts the offeror is performing and status); be able to comply with all safety rules; and be able to comply with all local, state, and federal equal opportunity laws;
3. Have a satisfactory performance record, LMHA will consider bidders/offerors past job performance and conduct with LMHA. LMHA will also require submission of contact information for recent contracts they have performed for other customers and contact them to ascertain the offeror's quality of performance, including timeliness of delivery/completion, quality of work, compliance with terms and conditions of the contract, and cost control, if applicable. Inquire of past customers whether or not they would contract with the offeror again and why. LMHA will research the offeror's performance history with LMHA;
4. Have a satisfactory record of integrity and business ethics; (verification with the Better Business Bureau and various State and Federal Government offices). LMHA will consider offeror's past job performance and conduct with LMHA as well as past performance on LMHA contracts.
5. Have the necessary organization, experience, accounting and operational controls, and technical skills, or the ability to obtain them; (Verify experience with other customers. Request copies of any audits. Verify that necessary personnel will be available to work under LMHA's contract);
6. Have the necessary licenses, production, construction, and technical operational controls, and technical skills, or the ability to obtain them;
7. Have the necessary production, construction, and technical equipment and facilities, or the ability to obtain them; (Request evidence that the offeror has all the equipment and facilities he/she will need or the capability to obtain them. Visit the offeror's place of business or other job sites to verify equipment and facilities. Contact equipment dealers and/or facility owners from whom the offeror indicates that he/she will rent or lease equipment or space);
8. In order to protect the safety and health of our own employees, contractors/suppliers must provide (upon request) a Safety Data Sheet (SDS) on any hazardous chemicals or material which they bring into the facility. Failure to provide this information in a timely manner will result in the removal of the contractor/supplier from the premises.
9. When applicable, the Davis-Bacon Act requires the payment of prevailing wage rates to all laborers and mechanics on Federal government construction projects in excess of \$2,000. Construction includes alteration and/or repair, including painting and decorating, of public buildings or public works. Prevailing wages, determined by the U.S. Department of Labor, can be found at [www.wdol.gov](http://www.wdol.gov) (selecting DBA WDs; State-Ohio; County-Lucas; Construction Type – Building, Heavy, Highway, or Residential; WD Number – OH2, OH33,

OH109 (defaults based upon type of construction). This wage determination is a listing of various construction work classifications, such as Carpenter, Electrician, Plumber and Laborer, and the minimum wage rates (and fringe benefits, where prevailing) that people performing work in those classifications must be paid.

10. Be current in all applicable city, state and federal tax obligations. If there is such a delinquency, the bidders or offerors shall have at least two (2) weeks to provide evidence of payment in full or proof that such delinquency is being resolved with a repayment agreement; and

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

b. **All Contractors shall:**

1. Provide LMHA with a copy of its current Ohio Worker's Compensation certificate.
2. Name LMHA as an additional insured on its general liability insurance policy, which shall be made "primary" to LMHA's general liability policy.
3. Be licensed under the jurisdiction having authority.
4. Pay its hourly workers the wages required by the Davis-Bacon Act for jobs over \$2,000. (Contractors may obtain a copy of the most recent wage schedules from the Web at [www.wdol.gov](http://www.wdol.gov) or from LMHA's Procurement Department.)
5. Provide certified payroll-reporting forms (WH-347) with the invoice in order to be paid. This is required for all jobs over \$2,000 covered by the Davis-Bacon Act.
6. Provide all documentation required by LMHA.
7. Sign in at the Management Office each day, so that LMHA knows when a contractor is working on its properties.

c. 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.

d. **Suspension and Debarment:** Contracts shall not be awarded to debarred, suspended, or ineligible contractors. Contractors may not be suspended, debarred, or determined to be ineligible by HUD in accordance with HUD regulations (24 CFR Part 24) or by any other Federal agencies, e.g., Department of Labor for violation of labor regulations, when necessary to protect housing authorities in their business dealings. Prior to issuance of a contract, LMHA staff shall, as detailed within Section 10.2.H.1 and 10.2.H.2 of HUD Procurement Handbook 7460.8 REV 2, conduct the required searches within the HUD Limited Denial of Participation (LDP) system and the U.S. General Services Administration System for Award Management (SAM) and place within the applicable contract file a printed copy of the results of each such search.

e. **Vendor Lists:** All interested businesses shall be given the opportunity to be included on the vendor mailing lists. Any lists 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.

- f. **Inactive Vendors:** A database of “active” vendors shall be maintained by LMHA and reviewed annually. Vendors shall be considered “inactive,” and may be removed from LMHA’s vendor database if they have not received payment for any service or supply during a twenty-four (24) month period prior to the review date.

## **9.0 CONTRACT PRICING ARRANGEMENTS**

### **9.1 CONTRACT TYPES**

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

### **9.2 OPTIONS**

Contracts may contain one or more renewal option(s) for additional quantities or performance periods provided that:

- a. The option is contained in the solicitation;
- b. The option is a unilateral right of LMHA;
- c. The contract provides for a limit on the additional quantities and/or 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; or
- 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 LMHA than conducting a new procurement.

## **10.0 CONTRACT CLAUSES**

### **10.1 CONTRACT PRICING ARRANGEMENT**

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

### **10.2 REQUIRED FORMS**

Additionally, the forms HUD-5369; 5369-A; 5369-B; 5369; 5370; 5370-C (Sections I and II); 5370-EZ; 51915; and 51915-A, 50071 (Certification of Payments to Influence Federal Transactions), SF-LLL (Disclosure of Lobbying activities) which contain all HUD required clauses and certifications for contracts of more than \$50,000, as well as any forms or clauses as required by HUD for small purchases, shall be used, as applicable, in all corresponding solicitations and contracts issued by LMHA.

### **10.3 REQUIRED CONTRACT CLAUSES**

LMHA shall ensure that each contract executed by LMHA contains the required contract clauses detailed in 2 CFR 200.322 and .326 and Appendix II to Part 200 – Contract Provisions for non-Federal Entity Contracts Under Federal Awards.

## **11.0 CONTRACT ADMINISTRATION**

### **11.1 GENERAL**

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

## **12.0 SPECIFICATIONS**

### **12.1 GENERAL**

All specifications shall be drafted so as to promote overall economy for the purpose intended and to encourage competition in satisfying LMHA's needs. Specifications shall be reviewed prior to issuing any solicitation to ensure that they are not unduly restrictive or represent unnecessary or duplicative items. Function or performance specifications are preferred. For equipment purchases, a lease, or rental versus purchase analysis should be performed to determine the most economical form of procurement.

### **12.2 LIMITATION**

The following types of specifications shall be avoided:

- a. Geographic restrictions not mandated or encouraged by applicable Federal law (except 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 characteristic and standards to which the item must conform to satisfy its intended use).
- c. 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.

## **13.0 APPEALS, REMEDIES AND DEBRIEFING**

### **13.1 GENERAL**

It is LMHA's policy to resolve all contractual issues informally at the Authority level without litigation. Disputes shall not be referred to HUD unless all administrative remedies have been exhausted at the Authority level. When appropriate, LMHA may consider the use of informal discussions between parties by individuals who did not participate substantially in the matter in dispute, to help resolve the differences. HUD will only review protests in case of violations of Federal law or regulations and failure of LMHA to review a complaint or protest.

### **13.2 DEBRIEFING**

Upon the conclusion of the solicitation period and issuance of the Award Notice, all Offerors shall have the right to a debriefing. The request for a debriefing must be made within 10 days from the date of Award Notice. The debriefing meeting may be held, either by phone or in-person at LMHA's office. If the debriefing is in-person, travel expenses shall be the sole responsibility of the Offeror and not LMHA.

### **13.3 INFORMAL APPEALS PROCEDURE**

LMHA shall adopt an informal bid protest/appeal procedure for contracts of \$50,000 or less. Under these procedures, the bidder/contractor may request to meet with the Contracting Officer.

### **13.4 FORMAL APPEALS PROCEDURE**

A formal appeals procedure shall be established for solicitations/contracts of more than \$50,000.

- a. **Bid Protest:** Any actual or prospective contractor may protest the solicitation or award of a contract for serious violations of the principals 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. A written protest shall contain, at a minimum, the name, address and phone number of the protester; identification of the procurement, including solicitation or contract number; a statement of the reasons for the protest; supporting exhibits, evidence, or documents to substantiate any arguments; and the form of relief requested. The Contracting Officer may, at his or her discretion, suspend the procurement pending resolution of the protest if warranted by the facts presented.

LMHA shall issue a decision as expeditiously as possible after receiving all relevant information requested. If the protest is granted, the solicitation or proposed award will be canceled or revised to comply with the protest decision. If the contract has already been awarded, it may be terminated for convenience and the contract re-awarded to the next eligible offeror; the procurement may be resolicited; or, if LMHA determines in writing that based on compelling circumstances such action would not be in its best interests, may let the award stand and pay the successful protestor bid and proposal costs, along with the costs of filing and pursuing the protest. If the protest is not granted, the Contracting Officer will issue a written decision with justification for the denial and explain the appeal rights of the protestor.

When LMHA determines to award a contract to a bidder other than the apparent low bidder or bidders for the construction, reconstruction, improvement, enlargement, alteration, repair, painting, or decoration, it shall meet with the apparent low bidder or bidders upon a filing of a timely written protest. The protest must be received within five days of the notification required by Section



III.C.4. No final award shall be made until the LMHA either affirms or reverses its earlier determination. [Authority: R.C. 9.312.]

- b. **Contractor 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 claim must identify the nature and scope of the claim, including extra costs sought by the contractor. The Contractor may request a conference on the claim. The Contracting Officer will promptly issue a written decision and immediately furnish a copy to the contractor by certified mail, return receipt requested. The Contracting Officer's decision shall inform the contractor of its appeal rights to the Executive Director. If no decision is issued within 60 days after written request or such longer time as the parties agree, the contractor may proceed as if an adverse decision had been received. Contractor claims shall be governed by the Changes clause in the relevant form (HUD-5370).

## **14.0 CONTRACT TERMINATIONS**

### **14.1 TERMINATIONS**

LMHA may terminate contractors or purchase orders for default for, but not exclusively, the following grounds:

- a. Failure to deliver the supplies, services or construction as specified
- b. Failure to perform work in a timely manner
- c. Violation of a contractor clause, or
- d. Repeated violations of labor standards

### **14.2 NOTICE**

Termination notices must be in writing, sent by certified mail with a return receipt. The notice should include the following information:

- a. The contract being terminated for convenience of LMHA or for default;
- b. Whether the contract is terminated in whole or in part;
- c. Effective date of termination;
- d. Contractor's right to proceed under the unterminated part of the contract, if any.

### **14.3 TERMINATION FOR CONVENIENCE**

- a. Settlement: Should be completed by negotiated agreement.
- b. Contractors should be compensated fairly for work done and for preparations made for the terminated portions of the contract including appropriate profit.

### **14.4 TERMINATION FOR DEFAULT**

- a. May terminate contracts for actual or anticipated failure of the contractor to perform contractual obligations.
- b. Under default termination, LMHA is not liable for contractor's costs on undelivered work and is entitled to repayment of progress payments made to date of default.
- c. Contractors may be given ten days (or longer, if needed) to cure a failure in contract performance.

- d. Upon expiration of the correction period, the Contracting Officer may issue a notice of termination for default.

#### **14.5 OPTIONS**

- a. LMHA may allow the contractor or surety to continue performance of the contract under a revised schedule (in exchange for price reduction).
- b. Permit the contractor to continue performance by means of a subcontractor or other acceptable arrangement.
- c. Execute a no cost termination agreement.

### **15.0 ASSISTANCE TO SMALL AND OTHER BUSINESSES**

#### **15.1 REQUIRED EFFORTS**

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

- 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 smaller 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, the Minority Business Development Agency of the Department of Commerce;
- f. Including in contracts, to the greatest extent feasible, a clause requiring contractors to provide for training and employment for lower income residents of the project area and to award subcontracts for work in connection with the project to business concerns which provide opportunities to low-income residents, as described in 24 CFR Part 135 (so-called Section 3 business); and
- g. Requiring prime contractors, when subcontracting is anticipated, to take the positive steps listed above.

#### **15.2 GOALS**

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

### 15.3 DEFINITIONS

- a. A **Small Business** is defined as a business that is: independently owned; not dominant in its field of operation; and not an affiliate or subsidiary of a business dominant in its field of operation. The size standards in 13 CFR 121 should be used to determine business size.
- b. A **Minority-Owned Business** is defined as a business which is at least 51% owned by one or more minority group members; or, in the case of a publicly-owned business, one in which at least 51% of its voting stock is owned by one or more minority group members, and whose management and daily business operations are controlled by one or more such individuals. Minority group members include, but are not limited to Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans, Asian Indian Americans and Hasidic Jewish Americans.
- c. A **Women-Owned Business Enterprise** is defined as a business that is at least 51% owned by a woman or women who are U.S. citizens and who control and operate the business.
- d. A **Service Disabled Veteran-Owned Business** is defined as: The **United States Government** sets aside contract benefits for companies considered 'Service-Disabled Veteran-Owned Small Business (SDVOSB.) The most notable of these contracts is the "VETS-GWAC" is the result of Executive Order 13360 that is designed to strengthen federal contracting opportunities for SDVO firms.
- e. A "**Section 3 Business Concern**" is as defined under 24 CFR 135.
- f. A **Labor Surplus Area Business** is defined as a business which, together with its immediate subcontractors, will incur more than 50% of the cost of performing the contract in an area of concentrated unemployment or underemployment, as defined by the DOL in 20 CFR 654, Subpart A, and in the list of labor surplus areas published by the Employment and Training Administration.

## 16.0 BOARD APPROVAL OF PROCUREMENT ACTIONS

### 16.1 AUTHORITY

The Board appoints and delegates procurement authority to the President/CEO in the amount not to exceed \$50,000 and is responsible for ensuring that any procurement policies and procedures adopted are appropriate for LMHA. All procurements that exceed \$50,000 must have approval from the Board prior to award and/or contract execution. Contract renewals do not need annual Board approval having been authorized with the initial contract approval.

## 17.0 DELEGATION OF CONTRACTING AUTHORITY

### 17.1 DELEGATION

While the President/CEO is responsible for ensuring that LMHA's procurements comply with this Policy, the President/CEO may delegate all or partial procurement authority as is necessary and appropriate to conduct the business of LMHA.

### 17.2 PROCEDURES

Furthermore, and in accordance with this delegation of authority, the President/CEO shall, where necessary, establish operation procedures (such as procurement, manual or standard operating procedures) to implement this Policy. The President/CEO shall also establish a system of sanctions for violations of the ethical standards described in Section 3.0 herein, consistent with Federal, State, or local law.

### **17.3 SPENDING THRESHOLDS FOR STAFF**

President and Chief Executive Officer (President/CEO) executes all contracts and purchase/change orders up to \$50,000; over \$50,000 with Board approval. See Appendix #1.

## **18.0 DOCUMENTATION**

### **18.1 REQUIRED RECORDS**

LMHA must maintain records sufficient to detail the significant history of each procurement action. These records shall include, but 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.

### **18.2 LEVEL OF DOCUMENTATION**

The level of documentation should be commensurate with the value of the procurement and at a minimum:

- a. Purchases under \$2,000 require one written quote; and
- b. Purchases over \$2,000 require three written quotes.

### **18.3 RECORD RETENTION**

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

## **19.0 DISPOSITION OF SURPLUS PROPERTY**

### **19.1 GENERAL**

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

## **20.0 FUNDING AVAILABILITY**

### **20.1 GENERAL**

Before initiating any contract, LMHA shall ensure that there are sufficient funds available to cover the anticipated cost of the contract or modification. In the case of specific source of funding, any requirement of the source will be met.

## **21.0 PUBLIC ACCESS TO PROCUREMENT INFORMATION**

### **21.1 PROCUREMENT INFORMATION**

Shall be a matter of public record to the extent provided for in Ohio's public records statute, R.C. 149.43. However, if LMHA requests additional financial information from a bidder to determine financial responsibility then such additional financial information is not a public record per R.C. 149.43 and is exempt from disclosure per R.C. 9.312 (A).

### **21.2 SELF-CERTIFICATION**

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

**APPENDIX 1  
AUTHORIZED SIGNATORIES**

**LUCAS METROPOLITAN HOUSING AUTHORITY  
Authorized Signatures for LMHA's Contracts  
Revised Pursuant to Resolution No. 8384**

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The President and Chief Executive Officer's spending threshold remains \$50,000. The President and Chief Executive will execute all contracts and purchase/change orders in excess of \$25,000. The President and Chief Executive Officer (President/CEO) has determined that the following persons are authorized to execute contracts, and purchase/change orders as listed below:

1. Chief Operations Officer executes all contracts and purchase/change order from \$5,000 to \$25,000;
2. Senior Vice President of Operations executes all contracts and purchase/change orders from \$5,000 to \$ 25,000; and,
3. Chief Real Estate Officer executes all contracts and purchase/change orders up to \$15,000;
4. Director of Finance executes all contracts and purchase/change orders up to \$ 20,000;
5. Chief Legal Officer executes all contracts and purchase/change orders up to \$15,000;
6. Vice President of Asset Management executes all contracts and purchase/change orders up to \$7,500;
7. Vice President of Housing Choice Voucher Programs executes all contracts and purchase/change orders up to \$7,500;
8. Vice President of Resident Services executes all contracts and purchase/change orders up to 7,500;
9. Procurement and Contract Manager executes all contracts and purchase/change orders up to \$3,000;
10. Associate Vice President of Compliance and Business Development Manager executes all contracts and purchase/change orders up to \$3,000;
11. Capital Fund/504-ADA Program Manager executes all contracts and purchase/change orders up to \$3,000;
12. Executive Assistant II executes all contracts and purchase/change orders up to \$3,000;

13. Manager of Modernization executes all contracts and purchase/change orders up to \$3,000;
14. Associate Vice President of Housing Choice Voucher Programs executes all contracts and purchase/change orders up to \$3,000; and,
15. Construction Manager executes all contracts and purchase/change orders up to \$2,000;
16. Project Coordinator executes all contracts and purchase/change orders up to \$2,000;
17. Manager of Occupancy and Leasing executes all contracts and purchase/change orders up to \$2,000;
18. Human Resources Manager executes all contracts and purchase/change orders up to \$2,000;
19. Property Managers execute contracts and purchase/change orders up to \$2,000 for their AMPs;
20. Purchasing Manager executes contracts and purchase/change orders up to \$2,000;
21. Grants Manager/Assistant Manager of Resident Services executes all contracts and purchase/change orders up to \$2,000;
22. Executive Assistant I execute contracts and purchase/change orders up to \$2,000;
23. Public Housing Compliance Manager executes contracts and purchase/change orders up to \$1,500;
24. Housing Choice Voucher Compliance Manager executes contracts and purchase/change orders up to \$1,500;
25. Information Technology Coordinator executes all contracts and purchase/change orders up to \$1,500;
26. Section 3 Compliance Coordinator executes contracts and purchase/change orders up to \$1,000;
27. Paralegal executes all contracts and purchase/change orders up to \$1,000;
28. Maintenance Supervisors may execute contracts and purchase/change orders up to \$600 for their AMPs.
29. The President and CEO may change the limit of a position manager or lower up to a limit of \$5,000, without requiring Board Approval.
30. President and CEO executes documents for the transfer of real property. If the President and CEO is unavailable to execute such documents, then the Chief Operations Officer or the Senior Vice President of Operations may execute such documents. If the Chief Operations Officer or Senior Vice President of Operations is unavailable to execute such documents, the Chief Legal Officer may execute such documents.

## **APPENDIX 2**

### **OSHA Hazard Communication Standard**

The Occupational Safety & Health Administration (OSHA) Hazard Communication Standard (29CFR 1910.1200) states that contractors/suppliers must be informed of the hazardous chemicals their employees may be exposed to while performing their work and any appropriate protective measures. In order to comply with this requirement, Lucas Metropolitan Housing Authority has developed a list of all the hazardous chemicals known to be present in our facility. A Safety Data Sheet (SDS) is also on file for each of the chemicals and / or hazardous substances. This information is available to you and to your employees upon request.

In order to protect the safety and health of our own employees, contractors/supplies must provide (upon request) a SDS on any hazardous chemical (s) or material (s) which they bring into the facility. Failure to provide this information in a timely manner will result in the removal of the contractor/supplier from the premises.

Each employer is also responsible for notifying any subcontract they employ regarding the requirements of OSHA Hazard Communication Standard and other provisions described in this notice.

Each contractor is responsible for identifying conditions where Personal Protection Equipment (PPE) is required, and they are to furnish the necessary filtering face pieces, gloves, masks, eye protection, coveralls, steel toed shoes or any other type of gear that will keep their employees safe from a hazardous condition.



**APPENDIX 3  
EMPLOYEE ACKNOWLEDGMENT**

**EMPLOYEE ACKNOWLEDGMENT**

*(This signed acknowledgment will be included in the employee's personnel file.)*

I acknowledge the receipt of LMHA's Statement of Procurement Policy Manual, which describes the procurement methods used by LMHA. I agree to read it and study its contents and abide by LMHA's written and unwritten policies, procedures, rules and regulations.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

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