



**CHICAGO HOUSING AUTHORITY**  
Department of Procurement and Contracts Procurement Procedures Manual



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**Procurement Procedures Manual**

## TABLE OF CONTENTS

Glossary of Terms .....	5
I. Introduction .....	8
II. Procurement Personnel .....	8
A. Administration of Procurement .....	9
B. Contracting Officer Responsibilities.....	9
C. HUD .....	9
D. The CHA Department of Procurement and Contracts (DPC).....	10
E. Procurement Teams (P-Teams).....	10
F. CHA Property Office and Sub-Grantees .....	12
III. Procurement Planning .....	13
A. Annual Procurement Plan .....	13
B. Procurements Not Included in the Annual Procurement Plan .....	13
IV. Procurement Planning .....	14
A. Examples of Undue Restraint on Competition .....	14
B. Small Purchase Procedures .....	14
1. Small Purchase \$3,000 or less .....	15
2. Small Purchase greater than \$3,000 .....	15
C. Formal Procurement Procedures .....	17
1. Competitive Procurement – Sealed Bids .....	17
2. Competitive Proposals – Request for Proposals (RFP) .....	24
3. Traditional Qualifications Based Selection – Request for Qualifications .....	31
D. Non-Competitive Procurement .....	37
1. Non-Competitive Procurement for Inadequate Competition.....	38
2. Non-Competitive Procurement from a Sole Source .....	39
3. Non-Competitive Procurement for Public Exigency .....	42
V. Alternative Procurement Methods .....	43
A. Cooperative Purchases.....	43
B. Contracting with Small and Resident Owned Business (ROBs).....	47
C. Executing Options on Current Contracts .....	49
D. Construction Change Orders .....	51
VI. Cost Estimates, Price Analysis and Cost Analysis.....	57
A. Cost Estimates .....	57
B. Price Analysis.....	58
C. Cost Analysis.....	58
VII. Responsibility Determinations .....	61
A. Responsibility .....	61
B. Contracting Officer’s Duties Regarding Responsibility .....	61
C. Responsibility Determination Procedure.....	61
D. Good Faith Efforts .....	62

VIII.	Vendor List.....	72
	A. Characteristics of CHA Vendor List.....	72
	B. CHA Preferred Vendor List .....	72
	C. CHA Watch List .....	72
	D. Debarred List.....	72
IX.	Task Order Contracting .....	73
	A. When Task Order Contracts Are Used .....	73
	B. Administration of a Task Order Contract.....	73
X.	Insurance Guidelines.....	74
	A. Role of Risk Management .....	74
	B. Timing of Risk Management Review.....	74
	C. Certificates of Insurance .....	74
XI.	Purchase Requisition & Purchase Order Procedures .....	75
	A. Purchase Requisition – Under Simplified Acquisition Threshold.....	75
	B. Purchase Requisition – Over Simplified Acquisition Threshold.....	75
	C. Vendor ID Number .....	75
	D. Purchase Orders – Under Simplified Acquisition Threshold.....	75
	E. Purchase Orders – Over Simplified Acquisition Threshold .....	75
XII.	Cancellation of Formal Procurements .....	77
	A. General Notice to Prospective Contractors.....	77
	B. Contracting Officer .....	77
	C. Particular Notice to Prospective Contractors .....	77
XIII.	Bid Protests .....	78

## Glossary of Terms

**Amendment** – A written modification or clarification to a solicitation.

**Best and Finals** – In competitive request for proposals, it is the final request for best proposals from vendors who have qualified within a particular competitive range.

**Bid** – A firm offer in response to a CHA Invitation for Bid (IFB).

**Bid “Take-out” Sheet** – Sheet(s) that record receipt of a solicitation.

**Change Order** – A unilateral contract modification that authorizes a deviation from building according to plans and specifications or a request to alter the number of units of an item or any increase in the level of effort and is within the Scope of Work.

**Competitive Procurement** – Any Request for Proposal or Invitation for Bid that is publicly advertised and that yields a minimum number of proposals or bids for the Contracting Officer to affirmatively determine competition existed. No fewer than two proposals or bids may be deemed to evidence competition, but the Contracting Officer has discretion to require any number of additional proposals and bids to be tendered to satisfy competition.

**Competitive Range** – In Requests for Proposals, it is the minimum threshold score the Contracting Officer will require for a proposal to be further considered for award. The Contracting Officer will include proposals within the competitive range that have a reasonable chance of receiving the award from a technical and cost standpoint.

**Contracting Officer** – The Chief Executive Officer (CEO) unless the CEO has by written delegation, properly assigned the responsibility to another member of the CHA Senior Staff.

**Firm Offer** – The pre-requisite response by a respondent who anticipates doing business with the CHA as a result of an IFB. A Firm Offer is a complete price quote for all work the CHA details in an IFB without conditions.

**Hybrid Request for Qualifications (HRFQ)** – A qualifications based selection of a panel of vendors in a specific area who are then pre-qualified for task orders as specific work is identified within the area of pre-qualification.

**Invitation for Bids (IFB)** – A competitive procurement sealed bid method wherein the CHA issues a solicitation and requires that bidders respond with firm offers for the work that is included within the Scope of Work.

**Modification** – A written revision or change to a contract.

**Negotiation** – A discussion with potential CHA Contractors who responded to a Request for Proposal or a non-competitive procurement about technical and price considerations within their proposals.

**Preferred Vendor List** – A list of vendors who currently or in the past have provided satisfactory performance while under contract to the CHA or with other customers or one of CHA's Sister Agencies.

**Proposal** – An offer that is in response to either a competitive or non-competitive procurement that may describe the contractors proposed approach to the Scope of Work, and includes price.

**Purchase Requisition** – The CHA form that details the requested goods and/or services and which must be approved by the CHA budgets department. A Purchase Requisition is a pre- requisite to any procurement activity.

**Purchase Order** – For small purchases, the duly authorized Purchase Order is the written instrument that forms the contractual basis for the ordering of goods and services between the CHA and its vendors. For purchases that exceed the simplified acquisition threshold, the duly authorized Purchase Order is the written instrument that identifies a duly authorized contract and that is executed in order to process payments to the vendor.

**Request for Proposals (RFQ)** – The CHA's solicitation to prospective vendors eliciting proposals.

**Request for Qualifications (RFQ)** – A two step qualified based selection process wherein qualifications are evaluated and vendors are thereafter ranked. Once vendors have been ranked, the CHA contacts the highest rated respondent and attempts to negotiate a final price. If price cannot be negotiated with the highest rated, then the CHA may negotiate with the next highest rated until such time as a price can be agreed to with a qualified respondent.

**Respondent** – Any vendor who submits a response to a CHA solicitation.

**Responsible** – Any respondent to a competitive solicitation who the CHA Contracting Officer has determined to have the technical and financial capacity to perform CHA work as required by the solicitation.

**Responsive** – Any respondent to a competitive solicitation who the CHA Contracting Officer has determined to have submitted all required documentation as specified within the solicitation.

**Scope of Work** – The short concise statement the CHA publishes within its formal solicitations that establish the parameters of what the work is that is being requested.

**Senior Staff** – The CEO, Chief of Staff, Deputy Chief of Staff, Managing Directors, Directors and Assistant or Deputy Directors.

**Simplified Acquisition Threshold** – Currently CHA purchases that are less than \$150,000. Consult 2 CFR 200.317-326 for any changes.

**Sister Agencies** – The City of Chicago; Chicago Park District; Chicago Public Schools; Chicago Transit Authority; City Colleges of Chicago; MPEA-Navy Pier; and Public Building Commission of Chicago.

**Small Purchase** – Any solicitation that is anticipated to result in a Contract or Purchase Order below the Simplified Acquisition Threshold.

**Solicitation** – The written instrument that elicits bids or proposals to the CHA.

**Statement of Work** – The detailed requirements and method of performing the work the CHA publishes within its solicitations.

**Termination for Cause** – When the Contracting Officer ends a contract for a material breach of a contractual obligation by a CHA vendor.

**Termination for Convenience** – Termination of a contract by the CHA on a unilateral basis when the goods or services are no longer required or when terminating a contract is determined by the Contracting Officer to be in the best interest of the CHA.

**Time and Materials Contract** – A cost reimbursement contract wherein the CHA pays the contractors cost of materials as a straight reimbursement and labor is paid on a fixed rate.

**Vendor** – A firm or company that is currently, or might in the near future, provide CHA with any goods and/or services.

**Watch List** – List of Vendors who are currently or have in the past provided unsatisfactory performance while under contract to the CHA or one of the CHA's Sister Agencies

## ARTICLE I. INTRODUCTION

This Procurement Procedures Manual is hereby intended to promulgate the methods and means for conducting procurement in compliance with the following sources: Chicago Housing Authority (CHA) Procurement Policy; United States Department of Housing and Urban Development (HUD) regulations including but not limited to the following: 24 CFR 200.317-326– Common Rule on Grantee Procurement; 24 CFR 968 – Public Housing Modernization; 24 CFR 941 – Public Housing Development for PHA's; 24 CFR 964 – Requirements for Management Contracts Between a Public Housing Agency and an RMC; 24 CFR 963 – Contracting with Resident Owned Businesses, 24 CFR 135 Contacting Opportunities for Project Area Business; any current CHA/HUD Annual Contributions Contract (“ACC”); CHA/HUD Move To Work (“MTW”) Demonstration Agreement and all applicable laws of the State of Illinois, including but not limited to the Illinois Housing Authorities Act 310 ILCS 10/1 et. seq. The previously detailed sources represent the applicable procurement regulations (hereinafter collectively, “Applicable Procurement Guidelines”).

A. Purpose

This Handbook provides the instructions, guidelines, processing procedures and forms to further the intent of the CHA's Procurement Policy whose goals are summarized as follows:

1. Provide for the fair and equitable treatment of all persons or firms involved in procurement by the CHA;
2. Assure that supplies, services and construction are procured efficiently, effectively and at the best prices available to the CHA;
3. Promote competition in Contracting;
4. Provide safeguards for maintaining a procurement system of quality and integrity; and
5. Assure that the CHA's procurement actions are in full compliance with Applicable Procurement Guidelines.

B. Application

The procedures of this Handbook apply to all purchases involving any Federal Funds utilized by the Chicago Housing Authority directly or indirectly by any of the CHA's sub- grantees.



## ARTICLE II. PROCUREMENT PERSONNEL

### A. Administration of Procurement

The CHA Board of Commissioners, in Article I. B. has designated the Chief Executive Officer (CEO) or other individuals as authorized in writing, as the CHA Contacting Officer. The Contracting Officer shall administer all procurement transactions. The Contracting Officer shall conduct the administration of all procurement transactions in compliance with all the provisions of the CHA Procurement Policy through the CHA Department of Procurement and Contracts.

### B. Contracting Officer Responsibilities

The administration of all procurement transactions in compliance with all provisions of the CHA Procurement Policy, HUD regulations at 2 CFR 200.317-326, State and local law shall include the following:

1. Require all CHA departments to analyze, and plan anticipated procurement requirements and thereafter prepare a CHA Annual Procurement Plan;
2. Acquire the supplies, services, and construction needed by the CHA by promoting full and open competition;
3. Ensure that all contractors receive impartial, fair and equitable treatment;
4. Ensure all bids and proposals are analyzed for responsiveness and responsibility;
5. Require contract compliance with M/W/DBE Goals and Section 3 requirements;
6. Detect and minimize any contract irregularities;
7. Make affirmative responsibility determinations before awarding a contract.
8. Oversee a review of any non-competitive procurements;
9. Monitor vendor performance;
10. Evaluate vendor requests for changes in performance, specifications, or price;
11. Verify vendors are in good standing with the State of Illinois and City of Chicago;
12. Sign all contracts, modifications, intergovernmental purchase agreements, purchase orders, and any other form of purchase that creates any liability on the CHA for payment;
13. Investigate and make a determination regarding any proper and timely filed protests to any procurement, consistent with the CHA's Protest Procedures.

### C. HUD

HUD or its designee have the right to audit all books, documents, papers and records of the CHA that are pertinent to the disbursement of federal funds. HUD will periodically perform audits and management reviews of CHA and CHA sub-grantee

procurement procedures to determine whether the CHA or its sub-grantees' procurements meet HUD requirements and thereafter give technical assistance to remedy any deficiencies.

The CHA anticipates that its procedures manual will be in effect during a term of self- certification. If HUD grants the CHA self-certification, the CHA Contracting Officer's approval will substitute the requirement to receive prior HUD authorization for the following situations:

1. The CHA or its sub-grantee procurement procedures or operation fails to comply with the procurement standards of 2 CFR 200.320 *Methods of procurement to be followed*;
2. When noncompetitive procurements are expected to exceed the simplified acquisition threshold;
3. When only one bid or offer is received in response to a solicitation;
4. When the procurement, which is expected to exceed the simplified acquisition threshold, specifies a "brand name" product;
5. When the proposed award is more than the simplified acquisition threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement;
6. When a proposed contract modification changes the scope of a contract or increase the contract amount by more than the simplified acquisition threshold;
7. Contracts for services whose initial period exceeds two years, and any option, extension, or renewal of a contract for services which makes the total length of the contract, as modified, exceed two years; or
8. Procurements which exceed the HUD approved amount indicated in a Development cost Budget or Operating Budget, or exceed the HUD established threshold for revisions to the CIAP Budget or to the CGP Annual Statement, where HUD has issued a notice of deficiency or corrective action order in the functional area.

D. The CHA Department of Procurement and Contracts (DPC)

Successful procurement by the CHA depends of the familiarity and application, by the CHA staff, of the Applicable Procurement Guidelines. DPC staff must conduct procurement according to the Applicable Procurement Guidelines and in compliance with the procedures of this CHA Procurement Procedures Manual. In addition to conducting the procurement and contract administration of the various CHA departments, the CHA Department of Procurement and Contracts shall advise, supervise and provide on-going audits of procurements that are required of CHA sub- grantees.

E. Procurement Teams (P-Teams)

P-Teams are a group approach to procurement, planning and execution. P-Teams consist of several groups currently six (6) that in turn consist of a DPC Buyer, DPC Contract Compliance Specialist, CHA department representative (hereinafter

“User”), and Legal department representative. The responsibilities of the members of the P- Team are as follow:

1. Buyer – To manage the procurement process for individual planned procurement of the CHA departments within his/her prevue. Specific tasks include but are not limited to:
  - (i) Organizing regular P-Team meetings to monitor each department’s annual plan.
  - (ii) Select the best method for procurement.
  - (iii) Research the market to identify vendors.
  - (iv) Assemble all the elements of a complete solicitation documents.
  - (v) Advertise a solicitation.
  - (vi) Reply to any inquiries regarding the solicitation.
  - (vii) Tabulate bids or coordinate the evaluation of proposals.
  - (viii) Assemble CHA Board of Commissioners (hereinafter, the “Board’) packages – (if necessary).
  - (ix) Prepare a Purchase Order.
  - (x) Issue a notification of award or notice to proceed (If applicable).
  - (xi) Maintaining complete contract file with entire procurement histories.
  - (xii) Monitoring the expiration of contracts.
  
2. Contract Compliance Specialist (CCS) – To facilitate planning and execution in a manner that meets and/or exceeds CHA policies regarding M/W/DBE, Section 3, and Davis-Bacon. Specific tasks include but are not limited to:
  - (i) Articulate requirements of M/W/DBE, Section 3, and Davis-Bacon to CHA personnel, potential contractors, and current CHA contractors.
  - (ii) Review Bids and Proposals initially for responsiveness with regard to contract compliance. Reviewing schedules and utilization plans of contractors and providing documentation of acceptance or rejection.
  - (iii) Monitor each contract and/or purchase order
  - (iv) Prepare compliance reports.
  
3. User – To evaluate procurement needs of the particular CHA department. Specific tasks include but are not limited to:
  - (i) Providing adequate information for a departmental annual procurement plan.
  - (ii) Communicate departmental needs for goods and services.

- (iii) Prepare the scope of services.
  - (iv) Prepare a cost estimate
  - (v) Prepare a Purchase Requisition for the project
  - (vi) Develop submittal requirements and evaluation criteria for proposals.
  - (vii) Suggest a list of potential bidders
  - (viii) Submit requisition for Legal advertisement.
4. Legal department representative – To monitor the appropriateness of the procurement process. Specific tasks include, but are not limited to:
- (i) Advising P-Team regarding any and all applicable procurement regulations
  - (ii) Evaluate whether the requirements for goods and/or services from a CHA department are accurately reflected in the solicitation documents
  - (iii) Prepare contract documents following a successful and completed solicitation.

F. CHA Property Office and Sub-Grantees

Successful procurement by CHA sub-grantees depends on the familiarity and application, by sub-grantees and CHA Property Office Staff in cooperation with DPC staff, of the Applicable Procurement Guidelines. CHA Property Office Staff must require, monitor and enforce that sub-grantees conduct procurement in compliance with the procedures of this CHA Procurement Procedures Manual with regard the forms of procurement, excluding those provisions identifying specific CHA personnel who must execute any contract.

## ARTICLE III. PROCUREMENT PLANNING

The CHA and sub-grantees must provide, for a review, anticipated procurement requirements on an annual basis. The purpose of a review of anticipated procurements is to allow the CHA and sub-grantees to avoid purchases of unnecessary or duplicative items, encourage contractors to offer volume discounts, analyze lease versus purchase options and to consider Intergovernmental agreements and Piggyback contracts with State and local agencies in an effort to foster greater economy and efficiency.

### A. Annual Procurement Plan

Three (3) months prior to the expiration of the current budget year the P-Teams shall begin the preparation of a document that anticipates the procurement requirements of all of the various CHA departments. The DPC Buyer should provide the User a current list of contracts for each respective department that identifies which of the contracts expire during the upcoming budget year. Thirty (30) days prior to the expiration of the current budget year, a completed document with each CHA department's anticipated procurement requirements must be submitted to the Contracting Officer. The following elements shall be contained within the submitted document from the User department regarding the anticipated procurement requirements:

1. Categories that identify each procurement as recurring, new, or seasonal.
2. Specificity in the form of projected quantities of supplies, services or construction.
3. A preliminary budget or estimated cost of the goods or services.
4. The method of procurement for each need.
5. A schedule that takes into account procurement and Board approval. Please note that time will vary depending on the complexity of the items and the procurement method chosen.
6. Project expiration date with the available extension options (if applicable).

### B. Procurements Not Included in the Annual Procurement Plan

Procurements not included in a User department's anticipated procurements document submitted to DPC pursuant to ARTICLE III (A) must be initiated through a regular P- Team meeting or by a special P-Team meeting convened at the request of the User. The User should explain the reason for the item not being included in its previous submission to DPC. In addition, the User shall include the information in ARTICLE III (A) 1-6.

## ARTICLE IV. PROCUREMENT METHODS

All procurement transactions will be conducted in a manner providing full and open competition consistent with the standards of Applicable Procurement Guidelines. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work and invitations for bid or request for proposals must be excluded from competing for such procurements.

The CHA will comply with the new revised regulations (2 CFR 200.322) Procurement of Recovered Materials to ensure that every purchase order or other contract includes clauses requesting vendors to list any and all recovered materials that will be purchased or provided in a contract as well as any sustainable or Corporate Social Responsibility Initiatives such as waste minimization, water efficiency, energy efficiency and staff.

**Only the Department of Procurement and Contracts may initiate and finalize all procurement activities. Any procurements or contracts awarded absent the Department of Procurement and Contracts authorizations, shall be cancelled or otherwise terminated.**

- A. Examples of Undue Restraint on Competition that cannot be Included in Any Procurement
1. Place unreasonable requirements on firms in order for them to qualify to do business;
  2. Require unnecessary experience and excessive bonding;
  3. Consider noncompetitive pricing practices between firms or between affiliated companies;
  4. Award noncompetitive awards to consultants that are on retainer contracts;
  5. Allow organizational conflicts of interests;
  6. Specify only a *brand name* product instead of allowing an *equal* product to be offered and describing the performance of other relevant requirements of the procurement;
  7. Exhibit regional or geographic preferences;
  8. Take arbitrary action prior to, during, or after the procurement process.
- B. Small Purchase Procedures
- Small purchase procedures shall be used for the acquisition of services, supplies or other property which have a projected cost not to exceed the simplified acquisition threshold. Contract requirements shall not be artificially divided so as to constitute a small purchase under this section. The CHA Director of Procurement and Contracts or his/her designee, shall generate a quarterly report of all small purchases to monitor such purchases in order to identify opportunities for aggregating quantities of like-items and perform strategic sourcing of those items for the CHA.

1. Small Purchase \$3,000 or less (Micro-purchases)

The purpose of this method of small purchase is to allow the CHA to purchase items without the unnecessary formality of getting multiple quotes if the CHA can be reasonably assured that a price proposed by a contractor is reasonable.

- (i) Steps in the procurement process for purchasing goods or services  
\$3,000 or less.
  - a) At a regular or specially called P-Team, the User department identifies the \$3,000 or under purchase from the Annual Procurement Plan or gives reasons why it was omitted. The User department representative presents the P-Team a cost estimate (a reasonable estimate of the cost of the goods or services that may be based on earlier purchases or some other reasonable criteria) and purchase requisition approved by the CHA Budget department.
  - b) Either the User representative or the Buyer contacts a minimum of one contractor for a quote.
  - c) After receipt of a quote, the P-Team will compare the cost estimate with the quote received from the contractor. If in the estimation of the P-Team, with the concurrence of the contracting officer, the quote is satisfactory, the Buyer will arrange for a P.O. to be generated, signed and tendered to the contractor.
  - d) In the event a quote is not satisfactorily received, the Buyer should contact additional vendors for a quote until a satisfactory one is unanimously recommended by the P-Team or approved by the Contracting Officer.
  - e) If the \$3,000 or under purchase is for services or is for goods and services, an approved Section 3 utilization plan must be obtained prior to creation of the P.O.

2. Small Purchases greater than \$3,000 but less than or equal to the Simplified Acquisition Threshold

The purpose of this method of small purchase is to allow the CHA to purchase items without conducting a formal solicitation but with a minimum degree of competition. The minimum degree of competition requires either the Buyer or User representative of the P-Team to solicit three (3) written responses from vendors via an informal written solicitation. A minimum of two written quotes will be required to make a competitive award.

- (i) Steps in the procurement process for purchasing goods or services greater than \$3,000 but less than or equal to the Simplified Acquisition Threshold.
  - a) At a regular or specially called P-Team, the User department

identifies the greater than \$3,000 but less than or equal to the Simplified Acquisition Threshold purchase from the Annual Procurement Plan or gives reasons why it was omitted.

- b) The User department representative presents the P-Team a cost estimate and purchase requisition approved by the CHA Budget department.
- c) The User representative, with assistance from the Buyers, prepares an informal written solicitation that indicates the level of service or quantity of goods the CHA requires. The informal written solicitation should also include what forms and levels of insurance will be required. If non-price factors are used to determine award, such factors shall be disclosed to all those solicited prior to award.
- d) The Buyer submits the informal written solicitation to no less than three (3) qualified sources. The Buyer will instruct the DPC staff person designated by the Contracting Officer to arrange for advertisement of the solicitation on CHA's website.
- e) If the item purchased under this section is for services or is for goods and services, an approved Section 3 utilization plan must be obtained prior to the creation of the P.O.
- f) If the award from a solicitation pursuant to this section results in a contract for construction, alteration, or repair of public buildings and public works and meets or exceeds a value of \$2,000 the Contract Compliance Specialist of the P-Team will certify that all bids meet a minimum level of responsiveness with regard to prevailing wages.
- g) Regardless of whether the item(s) is for goods or services, if the cost and fees of the item(s) meets or exceed \$25,000 an approved Schedules A and B must be obtained prior to the creation of the

P.O. Alternatively, a vendor may request waiver of M/W/DBE requirements (Note: must follow the waiver procedures as outlined in Article III of the Amendment to Special Conditions M/W/DBE Utilization Plan. Authorization by the Chief Executive Officer of the CHA regarding MBW/WBE/DBE requirements will be required prior to the creation of a P.O.

- h) After two (2) responsive and responsible quotes to the informal solicitation are received, the P-Team will compare all responses to the cost estimate. If in the estimation of the P-Team, with the concurrence of the contracting officer, the quote is satisfactory, the Buyer will arrange a copy of the proof of requisite insurance then generate a P.O. secure the signature of the Contracting Officer and tendered to the contractor.
- i) A recommendation for award of contract when only one quote



is received will be treated by the Contracting Officer as a non-competitive procurement. A recommendation to award when only one quote is received must be accompanied by a non-competitive justification memo. A review committee will make non-binding recommendations regarding non-competitive awards.

c. Formal Procurement Procedures

Formal Procurement Procedures shall be used for the acquisition of services, supplies or other property which have a projected cost exceeding the simplified acquisition threshold. Such formal methods shall include Sealed Bids, Competitive Proposals, Competitive Qualifications and Non-competitive solicitations. Contract requirements shall not be artificially divided so as to constitute a small purchase. For all formal procurements, the CHA has determined from experience that it is not in the CHA's best interest to have any one or group of vendors over-represented in a category of CHA work. The best interest the CHA requires that CHA reserve the right to decline to award a contract, even to the lowest bidder in response to any given solicitation wherein the vendor would be exclusive or near exclusive vendor providing goods or services to the CHA in a category of work. Past experience has highlighted the overriding interest to the CHA to be able to absorb the impact from the unavailability of any one vendor or group of vendors.

1. Competitive Procurement - Sealed Bids

- (i) Typical uses:
  - a) The sealed bid method is the preferred method for procuring construction services.
- (ii) May be used for the procurement of commodities whose value exceeds the Simplified Acquisition Threshold.  
Conditions for Use:
  - a) A complete, adequate and realistic specification or purchase description.
  - b) Two or more responsible bidders who are willing and able to compete effectively for the work.
  - c) The procurement lends itself to a firm fixed-price or indefinite quantity task order contract.
  - d) The selection of the successful bidder can be made principally on the basis of price.
  - e) No alternate bids are requested. The CHA may specify the most expensive quantity of commodity or construction service and list deductive alternates in inverse priority order.
- (iii) Steps in the procurement process for purchasing construction services and commodities through the sealed bid process – Preparation and Advertisement.

- a) At a regular or specially called P-Team, the User department identifies the sealed bid construction service or commodity from the Annual Procurement Plan or gives reasons why it was omitted.
- b) The User department representative presents the P-Team a cost estimate(s), purchase requisition(s) approved by the CHA Budget department and a list of contractors the User department wishes to be contacted directly about the contracting opportunity.
- c) The Buyer conducts outreach initiatives and adds vendors to the bidders list for the specified project.
- d) The User department representative additionally presents the P- Team with specifications, a Scope of Work and a Statement of Work.
- e) The DPC Buyer assembles an Invitation for Bid Document containing the following items:
  - 1. All general terms and conditions
  - 2. All supplemental terms and conditions
  - 3. All special terms and conditions
  - 4. A schedule
  - 5. A budget
  - 6. Bid sheets
  - 7. Plans
  - 8. Specifications
  - 9. Back-end Attachments
- f) The Buyer obtains the requisition for the various Legal advertisements from the User Department.
- g) The DPC Buyer makes arrangements with a designated DPC administrative assistant to advertise the sealed bid to the public and sends a copy of the sealed bid to vendors on the bidders list.
- h) The Buyer will instruct the DPC staff person designated by the Contracting Officer to arrange for advertisement of the solicitation in newspapers of general circulation and any specialized trade journals requested by the User department. The current list of advertisement forums includes (not in any particular order), but are not limited to:
  - 1. The Chicago Tribune
  - 2. The Sun Times
  - 3. The Defender

From the foregoing list, the buyer must assure that at least one

(1) newspaper of general circulation (40% outreach within the City of Chicago) is utilized. The Buyer will assure that copies of all advertisements are maintained within the master contract file.

- i) The Buyer will instruct the DPC staff person designated by the Contracting Officer to arrange for advertisement of the solicitation on CHA's website.
  - j) The Buyer must first assure that Bid Packages are available for pick-up on the day that project advertises in the newspaper.
  - k) Once the sealed bid is advertised the Buyer will be the CHA's sole point of contact regarding any inquiries from contractors. The Buyer should accept all questions but not discuss any substantive issues with regard to the sealed bid by any contractor by any means other than a formal correspondence addressed to all contractors. The Buyer should encourage contractors to submit any questions, addressed to the Buyer, in writing.
- (iv) Pre-bid conference and amendments:
- a) If a pre-bid conference is scheduled by the sealed bid, it should follow the following guidelines:
    - 1. The Buyer shall preside over said conference and accept questions from contractors at that forum. User department staff are encouraged to attend any and all pre-bid conferences.
    - 2. The timing of the conference should allow bidders enough time to review the sealed bid and adequate time to revise their bids before bid opening.
    - 3. Attendance at a pre-bid conference, while desirable, should not be mandatory. Lack of attendance should not be a basis for rejecting a bid as non-responsive.
    - 4. At the conference, the Buyer should state that nothing at the conference will change the terms of the sealed bid unless a subsequent amendment is issued.
    - 5. All answers to questions from the pre-bid conference, except for the most basic, should be addressed to all contractors in writing within and issued to all vendors on the bid take out sheet at least seven (7) days prior to the scheduled bid opening.
  - b) If a change to the sealed bid becomes necessary after it has been issued, the changes shall be accomplished by issuing a written addendum.
    - 1. The addendum/amendment must indicate the number and issue date of the original sealed bid.

2. A copy of the amendment must be mailed to each prospective bidder who has sent, or who picked-up the original IFB.
  3. If an addendum/amendment needs to be issued just before the scheduled bid opening date, the bid opening shall be postponed for an adequate period of time to permit potential bidders to fully analyze the change and to submit timely bids.
  4. A Legal postponement notice advertisement must appear in the newspaper prior to the bid due date. The buyer must obtain the requisition from the user department.
- c) If a change to the sealed bid becomes necessary after the commencement of the public bid opening, the Contracting Officer shall either award the work pursuant to the solicitation unchanged or cancel it altogether. No change is permitted to any bid, once a bids have been opened except to the extent that the CHA specifies at the bid opening, what if any, deductive alternates it elects.
- (v) Bid Opening and Contract Award not requiring Board approval:
- a) Each bid must be date and time stamped upon receipt by the receptionist at DPC. The sealed bids must be maintained in a secure location until the appointed bid opening time. Bids received after the date or time specified for the bid opening will be recorded as a late bid. The DPC receptionist shall give the vendor a "Late" receipt (with date, time and project number) and keep a copy of the receipt for the master project file. The receptionist should not keep late packages (copy cover of envelope).
  - b) On the date designated by the sealed bid or subsequently extended date and time stated in any addendum, the Buyer will conduct a public bid opening in the following manner:
    1. Any interested party will be permitted to attend the bid opening.
    2. The Buyer shall read aloud the bidders' names and the bid prices. This information will be recorded by a DPC staff member or other designee and made available for public inspection.
    3. No commitment to any bidder shall be made at the public opening. The Buyer will indicate which bidder is the apparent lowest responsive and responsible bidder.
    4. Any questions at the time of the bid opening will be recorded and presented at a later date to the Contracting Officer and taken under advisement. The

Contracting Officer shall provide any interested party a response, if the question presents a relevant and substantial issue.

5. After the bids have been publicly opened and read, bid tab sheet of all bids, containing the following for each bidder:
  1. Company name, address, phone and fax numbers, and email address
  2. Name of President or Authorized Representative
  3. Project contact person's name and title
  4. Listing of missing, required information
  5. M/W/DBE and Section 3
  6. Bid amount \$\_\_\_\_\_

Will be prepared by the Buyer. This bid tab sheet must be included and made part of the contract file.

- c) Unit prices that are submitted as the basis for an overall bid will be treated as confidential proprietary information from vendors. The CHA will enforce this characterization of unit prices as confidential information in order to maintain the integrity of future procurements as well as to encourage vendors to afford the CHA a lowest possible price.
- d) Contracts resulting from a sealed bid process shall be awarded on the following basis:
  1. Buyer reviews the low bid for responsiveness. All of the required submissions must have been made and all certifications answered. Buyers should make a careful examination of the bid and verify the bid represents a firm offer and not a counter proposal. Bidders who tender their bids containing conditions and alternatives imposed by a bidder that give the bidder an advantage or limit the CHA's rights are causes to deem the bid non-responsive.
  2. Contracting officer makes a written determination, maintained within the contract file, about any bid that:
    - A) Is unreasonably low overall
    - B) Is unreasonably low with respect to any individual items.
    - C) If prices are material unbalanced and creates a reasonable doubt, in the sole judgment of the Contracting Officer, that the bid would result in the lowest overall cost the CHA or would result in a de facto advance payment.

3. Buyer determines the lowest bid by considering factors such as discounts, transportation costs and live cycle costs but not prompt payment discounts.
4. If a bid is significantly above or below the CHA cost estimate, the Contracting Officer must carefully review the bids for any obvious mistakes. If a bidder appears to have made a mistake, the Contracting Officer or his/her designee shall immediately bring the mistake to the attention of the bidder and request clarification about whether and how a mistake was made. Any correction to a bid already submitted must be documented and maintained in the contract file regardless of the bid's status with regard to the lowest. Whether or not a bidder has the opportunity to correct a mistake or withdraw a bid that contains one depends on the following:
  - a) If the mistake was before the bid opening, the bidder shall be permitted to withdraw or modify its bid in writing or via facsimile.
  - b) If the mistake was discovered after bid opening, the bidder will not be permitted to make any changes or withdraw a bid unless the change is readily apparent and did not give the bidder any advantage after bid opening. Any mistake whose correction would allow the bidder to become the low bidder is a de facto determination of advantage after bid opening and cannot be allowed by the Contracting Officer. Notwithstanding the foregoing, the Contracting Officer shall have sole discretion to permit a bidder to withdraw a bid, upon the written request of any bidder after bids have been publicly read.
5. The Contract Compliance Specialist must document an affirmative determination that Schedules A, B and C meet or exceed CHA's goals for M/W/DBE participation and the HUD requirement for Section 3 participation. If the Sealed Bid will result in the awarding of a task order contract, the Contract Compliance Specialist will confirm that the requisite affidavits have been tendered and during contract administration, that compliance with M/W/DBE goals and the Section 3 requirement are satisfied per task order.
6. The Contracting Offer makes a final determination regarding who is the lowest responsive and responsible bidder.

7. The Buyer receives the appropriate bonds at the sufficient level required by the solicitation.

(vi) Bid Opening and Contract Awards requiring Board approval:

- a) If the value of the contract exceeds the CHA Significant Actions Policy threshold amount of \$150,000, the Contracting Officer shall not award a contract absent Board approval. All of the steps required for contract award in Article IV (C)(1)(iv) shall apply in addition to the procedure for seeking Board approval of contract awards pursuant to sealed bids in excess of \$150,000,000 in the next section.
- b) Board approval procedure for contract awards pursuant to sealed bids in excess of \$150,000, 000. After the Contracting Officer makes a final determination of the lowest responsive and responsible bidder the User Department will assemble a Board Packet. The Board packet should contain all of the information as well as a Board Letter and Resolution (prepared by the User Department) according to the terms of the Board Agenda Procedures Handbook. The Board Packet should be routed through the following CHA departments for approval:
  - c)
    1. The User department:(prepares the Board letter) the Director of the department will affix his/her initials to the routing slip and sign the Board letter and resolution, and routes to The Office of Budget Management.
    2. The Office of Budget Management: Approves budget and routes to Department of Procurement and Contracts.
    3. The Department of Procurement and Contracts: An Assistant Director and the Director shall affix their initials to the routing slip and route to legal after review and completion of the board package.
    4. The Legal department: The General Counsel shall review and affix his/her initials to the routing slip.
    5. The CHA Board Office: The Board Office will verify that all required information is contained within the packet and thereafter arrange for copies to be distributed to the CHA Commissioners.

(vii) Contract Formation:

- a) Once the lowest responsive and responsible bidder has been determined, Board approval is secured and the bidder has submitted the requisite bonding and proof of insurance, the Contracting Officer will sign the BF page specifying the award.

- b) The Buyer will enter the specific details of the contract into CHA's electronic records and generate a P.O.
  - c) A copy of the signed BF page with the notice of award and Contracting Officer's signature along with a notice to proceed will be sent to the contractor.
- (iv) Contract Administration and Close-out:
- a) The P-Team will monitor contractor performance via input from the User department representative and the Buyer or any other P-Team member who becomes aware of any problems that may affect contractor performance.
  - b) The User department should develop a Performance Monitoring System for each project. This performance monitoring system must include proof of written notification (s) to the specified vendors addressing the issues of concern prior to the CHA taking action. Copies of such correspondence must be sent to the Procurement Dept. and the Law Dept.
  - c) The Contract Compliance Specialist from the P-Team will review certified payrolls and compare them again with applicable wage rates for the area to monitor compliance with Section 3, if Section 3 applies.
  - d) The Contract Compliance Specialist from the P-Team will also receive and analyze M/W/DBE participation reports and alert the P-Team of any problems. The P-Team will report any problems to the Contracting Officer.
  - e) The P-Team should collect contract completion and closeout data and the Buyer will maintain the data with the contract file.
2. Competitive Proposals – Request for Proposals (RFP)
- (i) Typical uses:
    - a) The solicitation of competitive proposals is the preferred method for the procurement of professional services or for any procurement wherein the CHA wishes to:
      - 1. Allow offerors to suggest methods to perform the work or
      - 2. To hold discussions with potential offerors about the proposed approaches to the Scope of Work.

Must be used for the procurement of professional services whose value exceeds the Simplified Acquisition Threshold.
  - (ii) Conditions for Use:
    - a) When the CHA does not have a detailed specification or is uncertain about its requirements.
    - b) When two or more responsible proposers are willing and able to compete effectively for the work.
    - c) The procurement lends itself to a cost reimbursement or indefinite quantity / indefinite delivery contract. Note: Include in glossary.



(iii) **Procurement Process:**

a) P-Team meeting - At a regular or specially called P-Team, the User department identifies the services or services/commodities from the Annual Procurement Plan or gives reasons why it was omitted.

1. The User department representative presents the P-Team with a general description of the services/commodities (scope of work) that the User department requires.

2. The User department representative presents the P-Team an itemized cost estimate(s), purchase requisition(s) approved by the CHA Budget department and a list of potential respondents the User department wishes to be contacted directly about the contracting opportunity.

3. The Buyer, and User representative, with input from the Legal representative, will discuss whether to prepare a Statement of Work in terms of performance objectives or design requirements.

a) Performance – The Scope of Work must describe the commodity or services' performance characteristics and what is anticipated of the commodity or service. The emphasis is less on the exact description of the commodity or services and more focused on the anticipated benefit to the User department from having the commodity or service.

b) Design – The Scope of Work must describe the exact features of the commodity or service itself. The emphasis is less on the anticipated results of the having the commodity or service and more on a strict conformity of the proposal to the commodity or services as described in the RFP.

4. Once the P-Team formulates a Scope of Work, the User department representative will articulate the submittal requirements and the criteria for evaluating proposals against the Statement of Work. In addition, the User department will present the Buyer a list of evaluators for any proposals received in response to the RFP.

Note: Include Scope of Work in glossary

(iv) **RFP Assembly:**

a) The Buyers will assemble an RFP document containing the following items:

1. A Scope of Work;
2. Any and all requirements;
3. Any and all qualifications;
4. Submittal requirements
5. Evaluation Criteria with scoring mechanism based on a 100- point scale (the solicitation publishes the evaluation criteria that will be applied to select a proposal for award.)
6. Selected Contractual Provisions;
7. General Instructions;
8. M/W/DBE Information and Schedules
9. Section 3 Information and Schedule C
10. A fee form that is tailored to the type of contract anticipated
11. Back-end Attachments
12. Any other information pertinent to the solicitation
13. The Buyer conducts outreach initiatives to add suppliers to the respondent list for the specified projects

(v) Advertisement:

- a) The Buyer will instruct the DPC staff person designated by the Contracting Officer to arrange for advertisement of the solicitation in newspapers of general circulation and any specialized trade publications requested by the User department. The current list of advertisement mediums includes (not in any particular order), but are not limited to:
  1. The Sun Times
  2. The Defender
  3. Extra
  4. Applicable Trade Publications

From the foregoing list, the buyer must assure that at least one (1) newspaper of general circulation (40% outreach within the City of Chicago) is utilized for at least once a week for two consecutive weeks. The Buyer will ensure that copies of all advertisements are maintained within the master contract file.

- a) The Buyer will instruct the DPC staff person designated by the Contracting Officer to arrange for advertisement of the solicitation on CHA's website for a minimum of 30 days unless otherwise directed by management.
- b) The Buyer must ensure that the RFP is available for download on the CHA Strategic Sourcing Portal on the first day that the project advertises in the newspaper and the CHA website.

Once the RFP is advertised, the Buyer will be the CHA's sole point of contact regarding any inquiries from contractors. The Buyer should accept all questions but not discuss any substantive issues with regard to the RFP by any contractor by any means other than a formal correspondence addressed to all contractors. The Buyer should encourage contractors to submit any questions, addressed to the Buyer, in writing.

(vi) – Pre-proposal conference and addendum:

- a) If a pre-proposal conference is scheduled, it should adhere to the following guidelines:
  1. The Buyer shall preside over said conference and accept questions from contractors at that forum. User department staff is required to attend the pre-proposal conference.
  2. The timing of the conference should allow proposers enough time to review the solicitation and adequate time to revise their proposals before the proposal due date.
  3. Attendance at a pre-proposal conference, while desirable, should not be mandatory. Lack of attendance should not be a basis for not considering a properly tendered proposal.
  4. At the pre-proposal conference, the Buyer should state that nothing at the conference will change the Scope of Work, unless a subsequent addendum is issued.
  5. All answers to questions from the pre-proposal conference, should be addressed in writing and to all vendors on the proposal take out sheet (proposers list) via the CHA Strategic Sourcing Supplier Portal as well as posted on the CHA website at least seven (7) days prior to the proposal schedule due date.
- b) If a change to the RFP becomes necessary after it has been issued, the changes shall be accomplished by issuing a written addendum.
  1. The addendum must indicate the number and issue date of the original RFP.
  2. A copy of the addendum must be: 1) sent (via the CHA Strategic Sourcing Supplier Portal) to each prospective respondent who was sent, or who picked-up the original RFP; 2) posted on the CHA website.
  3. If an addendum needs to be issued just before the scheduled due date and time for proposals, the due date and time shall be postponed for an adequate period of time to permit potential contractors to fully analyze the

change and to submit timely proposals.

(vii) Evaluating Proposals and the Competitive Range.

- a) The Buyer shall not accept any proposals for a particular procurement, past the deadline date and time specified within the RFP. Proposals that are tendered past the deadline may be received but will be sent back unopened and not considered for award.
- b) The Buyer and Contract Compliance Specialist, as soon as is practical after the deadline due date and time for receiving proposals, shall conduct a preliminary review of timely proposals for responsiveness.
- c) Timely and preliminarily responsive and responsible proposals should be assembled for distribution to pre-identified members of the evaluation committee. Evaluation committee members may not receive any proposals for review until a properly executed non- disclosure agreement is forwarded to the Buyer.
- d) Evaluations must be conducted impartially, consistently and fairly. Evaluation committee members shall base their evaluations of the proposals only on:
  1. Evaluation factors set forth in the RFP. Factors not specified in the RFP shall not be considered.
  2. An individual basis, separate from each other and not in comparison to each other.
  3. The content of each proposal and not on personal knowledge.
- e) Once the evaluation panel has submitted its scores to the Buyer, the Buyer will tabulate all of the scores and determine the aggregate scores of the contractors across the various criteria and by total score. The scores will be submitted to the Contracting Officer for determination of the Competitive Range.
- f) The Contracting Officer shall establish a Competitive Range to include all of the most highly rated proposals **and** with the exclusion (if necessary) of the lower rated proposals if the number of such proposals is too large for an efficient competition. The determination of the Contracting Officer shall be put in writing and shall be maintained within the procurement/contract file.

(viii) Negotiation/Discussion.

- a) Negotiations/Discussions shall be conducted with all contractors within the competitive range as determined by the Contracting Officer, by invitation from the Buyer.
- b) All contractors shall be treated in a like manner and with the

same opportunities to fully participate in any negotiation or discussion. The Negotiation/Discussion should center on the proposal from the contractor and the anticipated approach to the published Scope of Work. No discussions about any other proposal shall be sustained.

- c) At the end of the Negotiation/Discussion, the Buyer may request a formal submission of a best and final offer or may indicate a request for a best and final offer will be forthcoming. Unless the Contracting Officer makes an affirmative determination in writing to forego best and final offers that will be maintained with the procurement/contract file, the Buyer must secure a best and final offer prior to the award of any contract that results from a competitive proposal.
  - d) Best and final offers should only be conducted once. If additional best and final offers are planned, the Contracting Officer must make an affirmative determination, supported by sufficient facts to support a reasonable conclusion that it is in the best interest of the CHA to elicit additional best and final offers.
  - e) If during best and final offers, any contract changes on any item in the proposal, other than price, the evaluators must re-score the changed proposal based on any updated terms.
- (ix) Contract Award not requiring Board approval (based on Significant Actions Policy).
- a) Contracts resulting from an RFP shall contain the following:
    - 1. All of the evaluation criteria contained within the solicitation applied to the final form proposal of a responsive and responsible contractor who previously made the competitive range.
    - 2. The Contracting officer makes a written determination, maintained within the procurement/contract file about any proposal that:
      - a. Is unreasonably low overall
      - b. Is unreasonably low with respect to any individual item(s).
      - c. If prices are materially unbalanced and create a reasonable doubt, in the sole judgment of the Contracting Officer, the proposal would result in a de facto advance payment.
  - b) If a proposal is significantly above or below the CHA cost estimate or the average of the other proposals submitted, the Contracting Officer must make a written determination that the price is not in error and/or that the contractor could reasonably perform as indicated in his/her proposal. If the Contracting

Officer cannot make an affirmative determination about an unreasonably low price on a proposal, the Contracting Officer shall not award that contractor.

- c) The Contract Compliance Specialist must approve Schedules A, B, and C and certify that they meet or exceed CHA's goals for M/W/DBE participation and the HUD requirement for Section 3 participation. If the RFP will result in the awarding of a task order contract, the Contract Compliance Specialist will confirm that the requisite affidavits have been tendered and during contract administration, that compliance with M/W/DBE goals and the Section 3 requirement are satisfied per task order.
- (x) Board approval procedure for contract awards pursuant to RFPs in excess of \$150,000. Requirements – Contract Award requiring Board approval (based on Significant Actions Policy).
- a) If the value of the contract exceeds the CHA Significant Actions Policy threshold amount (currently) \$150,000, the Contracting Officer shall not award a contract absent Board approval. All of the steps required for contract award shall apply in addition to the procedure for seeking Board approval of contract awards pursuant to RFPs in excess of \$150,000 in the next section.
  - b)
    - 1. After the Contracting Officer makes a final determination to award a contract from an evaluation of proposals in response to an RFP, the User Department will assemble a Board Packet. The Board packet should contain all of the information as well as a Board letter and Resolution according to the terms of the Board Agenda Procedures Handbook. The Board Packet should be routed through the CHA departments listed in Article IV (C)(1)(vi)(b)(1)(1-5)) in the same manner as described therein.
- (xi) Contract Formation
- a) Upon receiving Board approval, SPS/PS sends a copy of the RFP and any addendums, approved Board resolution, recommendation memo, awardee's proposal and Best and Final Offer, cost analysis/estimate, and the final evaluation summary to Legal representative.
  - b) Once the contract is finalized, the Legal representative will forward same to the Buyer, who will in turn forward it to the vendor for signature. The vendor is required to re-submit two executed contracts to the Buyer who will re-submit to the Legal department to assure no terms have been changed.
  - c) The General Counsel will affix his/her signature to the contract if the contract has not been modified and return it to the Buyer for

signature by the Contracting Officer.

- d) The Contracting Officer will execute the contract and arrange for an original copy to be sent to the contractor and an original to be maintained within the procurement/contract file.
- e) The Buyer will enter the specific details of the contract into the CHA's electronic records and generate a P.O.
- f) The Contracting Officer will sign the P.O. and the original will be maintained within the contract file.

(xii) Contract Administration and Close-out.

- a) The P-Team will monitor contractor performance via input from the User department representative and the Buyer or any other P-Team member who becomes aware of any problems that may affect contractor performance.
- b) The Contract Compliance Specialist from the P-Team will review certified payrolls and compare them against applicable wage rates for the area to monitor compliance with Section 3, if Section 3 applies.
- c) The Contract Compliance Specialist from the P-Team will also receive and analyze M/W/DBE participation reports and alert the P- Team of any problems. The P-Team will report any problems to the Contracting Officer.
- d) The P-Team will collect contract completion and closeout data and the Buyer will maintain the data with the contract file.

3. Traditional Qualifications Based Selection – Request for Qualifications (RFQ)

(i) Typical uses:

- a) The solicitation of qualifications has been approved by HUD for the procurement of Architect/Engineer (A/E) Services by 2 CFR 200.320(d)(5) and for Developers by the Interim Mixed-Finance Rule (Vol. 61, FR 19710, May 2 1996, Interim Rule.)
- b) Price is not used as a selection factor.
- c) The procurement is conducted via a two-step process whereby the CHA elicits submission of qualifications that serve as the basis for an evaluation of qualifications based on factors published within the RFQ. After technical evaluation, the CHA will rank all submissions based on a 100-point scale and approach the top-rated A/E firm or Developer and attempt to negotiate a fair and reasonable price. Upon the sole discretion of the Contracting Officer, if and when the CHA determines it cannot reach a fair and reasonable price, CHA may commence negotiations with the next highest ranked A/E firm or Developer until agreement is reached or the process begins with the next highest rated or the Contracting Officer determines it is no longer in the best interest of the CHA to

continue negotiations with any A/E firm or Developer.

- (ii) Conditions for Use:
  - a) An RFQ is only slightly preferred over an RFP for the above listed authorized procurement of services, when the User department indicates that qualifications are initially more important than price. While price does not affect the ranking of firms overall, it must be reasonably justified and approved by the Contracting Officer prior to contract award.
  - b) The contemplated services from the RFQ are limited to A/E firms and Developers unless HUD authorization is documented prior to the commencement of any steps in the procurement process.
- (iii) Steps in the procurement process for procuring A/E or Developer services through an RFQ where price is not a factor in the technical evaluation – Preparation.
  - a) At a regular or specially called P-Team, the User department identifies the A/E or Developer services from the Annual Procurement Plan or gives reasons why it was omitted.
  - b) The User department representative presents the P-Team an independent cost estimate (ICE), purchase requisitions approved by the CHA Budget department and a list of contractors the User department wishes to be contacted directly about the contracting opportunity. All purchase requisitions shall be logged into the department of Procurement and Contracts.
  - c) The User department representative additionally presents the P- Team with a general description of the site where the A/E or Developer services are required, what requirements the User will publish in the solicitation that will apply to all submissions and what services the A/E or Developer will be required to render.
  - d) The Buyer and User representative, with input from the Legal representative, will discuss how to prepare a Scope of Work and a Statement of Work.
  - e) Once the P-Team formulates a Scope of Work and a Statement of Work, the User department representative will articulate the criteria for evaluating submissions of qualifications against the Statement of Work. Price cannot be a factor in the evaluation of submissions of qualifications and may not even be requested prior to the ranking of submission of qualifications.
- (iv) Content and Advertisement.
  - a) The Buyer will assemble an RFQ document containing the



following items:

1. A Scope of Work and a Statement of Work;
  2. Any and all requirements;
  3. Any and all qualifications
  4. Submittals;
  5. Evaluation criteria with scoring mechanism based on a 100-point scale;
  6. Selected contractual provisions;
  7. General Instructions;
  8. M/W/DBE information and affidavit;
  9. Section 3 information and schedule C affidavit;
  10. Back-end attachments;
  11. Any other information pertinent to the solicitation.
- b) The Buyer will instruct the DPC staff person designated by the Contracting Officer to arrange for advertisement of the solicitation in newspapers of general circulation and any specialized trade journals requested by the User department. The current list of acceptable advertisement forums includes (not in any particular order), but are not limited to:
1. The Chicago Tribune
  2. The Sun Times
  3. The Defender
  4. Exito
  5. The Herald
  6. USA Today
  7. Indigo
  8. Extra Bilingual Newspaper
- From the foregoing list, the buyer must assure that at least one (1) newspaper of general circulation (40% outreach within the City of Chicago) is utilized. The Buyer will assure that copies of all advertisements are maintained within the file.
- c) The Buyer will instruct the DPC staff person designated by the Contracting Officer to arrange for advertisement of the solicitation on CHA's website.
- d) Once the RFQ is advertised, the Buyer will be the CHA's sole point of contact regarding any inquiries from contractors. The Buyer should accept all questions during the allotted timeframe but not discuss any issues with regard to the RFQ by any contractor, by any means other than a formal correspondence addressed to all contractors. The Buyer

should encourage contractors to submit any questions, addressed to the Buyer, in writing.

- (v) Pre-submission conference and amendments.
  - a) If a pre-submission conference is scheduled by the RFQ, it should follow these guidelines:
    - 1. The Buyer shall preside over said conference and accept questions from contractors at that forum. User department staff is encouraged to attend the pre-submission conference.
    - 2. Attendance at a pre-submission conference is desirable but should not be mandatory. Lack of attendance should not be a basis for not considering a properly tendered submission of qualifications.
    - 3. At the conference, the Buyer should state that nothing at the conference will change the Scope of Work, or the Statement of Work, unless a subsequent addendum is issued.
    - 4. All answers to questions from the pre-proposal conference, except for the most basic, should be addressed to all contractors in writing within a day or two of the pre-submission conference.
  - b) If a change to the RFQ becomes necessary after it has been issued, the changes shall be accomplished by issuing a written addendum.
    - 1. The addendum must indicate the number and issue date of the original RFQ.
    - 2. A copy of the addendum must be mailed to each prospective contractor who was sent, or who picked-up the original RFQ.
    - 3. If an addendum needs to be issued just before the scheduled due date and time for submission of qualifications, the due date and time shall be postponed for an adequate period of time to permit potential contractors to fully analyze the change and to submit timely qualifications.
  
- (vi) Evaluating qualifications.
  - a) The Buyers shall not accept any submissions of qualifications for a particular procurement past the deadline date and time specified within the RFQ. Submissions that are tendered late, may be received but should be returned to the vendor unopened.
  - b) The Buyer and Contract Compliance Specialist, as soon as is

practical after the deadline date and time for receiving qualifications, shall conduct a preliminary review of timely submissions of qualifications for responsiveness.

- c) Timely and preliminarily responsive and responsible submissions of qualifications should be assembled for distribution to pre-identified members of the evaluation committee. Evaluation committee members may not receive any proposals for review until a properly executed non-disclosure agreement is forwarded to the Buyer.
- d) Evaluations must be conducted impartially, consistently and fairly. Evaluation committee members shall base their evaluations of the submissions of qualifications only on:
  - 1. Evaluation factors set forth in the RFQ. Factors not specified in the RFQ shall not be considered.
  - 2. An individual basis, separate from each other and not in comparison to each other.
  - 3. The content of each submission of qualification and not on personal knowledge.
- e) Once the evaluation panel has submitted its scores to the Buyer, the Buyer will tabulate all of the scores and rank all of the submissions of qualifications from highest ranked in descending order.

(vii) Negotiation.

- a) The Buyer, with the aid of the User department representative, will contact the highest rated contractor who submitted his/her qualifications and attempt to negotiate a fair and reasonable price.
- b) If no agreement can be reached with the highest rated contractor, then the Buyer will approach the second highest rated contractor and attempt to come to an agreement. The process will continue until there is agreement or until the Contracting Officer determines that eliciting a price from lower ranked contractors would not be in the CHA's best interest.

(viii) Contract award not requiring Board approval (based on Significant Actions Policy)

- a) Contracts resulting from an RFQ shall contain the following:
  - 1. All of the evaluation criteria contained within the solicitation applied to the final form submission of qualification of a responsive and responsible contractor.
  - 2. The Contract Compliance Specialist must document an approval that the contractor has evidenced that his/her intent is to comply with CHA's goals for M/W/DBE

participation and the HUD requirement for Section 3 participation by properly executing the affidavits that were attached to the original solicitation.

(ix) Contract award requiring Board approval (based on Significant Actions Policy)

- a) If the value of the contract exceeds the CHA Significant Actions Policy threshold amount of \$150,000, the Contracting Officer shall not award a contract absent Board approval. All of the steps required for contract award in Article IV (C)(3)(viii) shall apply in addition to the procedure for seeking Board approval of contract awards pursuant to the RFQ.
- b) Board approval procedure for contract awards pursuant to RFQ's in excess of \$150,000.
  1. After the Contracting Officer makes a final determination to award a contract from an evaluation of qualifications the Buyer and the User Department will assemble a Board Packet. The Board packet should contain all of the information as well as a Board letter and Resolution according to the terms of the Board Agenda Procedures Handbook. The Board Packet should be routed through the CHA departments listed in Article IV (C)(1)(vi)(b)(1)(1-5) in the same manner as described therein.

(x) Contract Formation

- a) Upon receiving Board approval, the Buyer sends a copy of the RFQ and any addendums, approved Board resolution, recommendation memo, awardee's proposal and Best and Final Offer, cost analysis/estimate, and the final evaluation summary to Legal representative.
- b) Legal representative drafts contract, with input from the UD and Buyer.
- c) The Contractor must be required to re-submit two executed contracts to the Buyer who will re-submit to the Legal department to assure no terms have been changed.
- d) The General Counsel will affix his/her signature to the contract if the contract has not been modified and return it to the Buyer for signature by the Contracting Officer.
- e) The Contracting Officer will execute the contract and arrange for an original copy to be sent to the contractor and an original to be maintained within the procurement/contract file.
- f) The Buyer will enter the specific details of the contract into the CHA's electronic records and generate a P.O.
- g) The Contracting Officer will sign the P.O. and the original will

be maintained within the contract file.

- (xi) Contract Administration and Close-out.
  - a) The P-Team will monitor contractor performance via input from the User department representative and the Buyer or any other P-Team member who becomes aware of any problems that may affect contractor performance.
  - b) The Contract Compliance Specialist from the P-Team will review certified payrolls and compare them against applicable wage rates for the area to monitor compliance with Section 3 if Section 3 applies.
  - c) The Contract Compliance Specialist from the P-Team will also receive and analyze M/W/DBE participation reports and alert the P-Team of any problems. The P-Team will report any problems to the Contracting Officer.
  - d) The P-Team should collect contract completion and closeout data and the Buyer will maintain the data with the contract file.
- (xii) Steps in the procurement process for procuring a Developer or Development Manager previously approved by HUD in approving a development team.
  - a) The Contracting Officer anticipates that HUD's prior authorization will still be required for the members of a development team that may include General Contractors, Development Managers and Private Property Managers.
  - b) If HUD has previously authorized the inclusion of any number of development team members that shall be sufficient basis to proceed with development activities absent procurement activities for those vendors whom were previously approved by HUD.
  - c) If after HUD has approved the members of the development team, any party wishes to substitute non-approved vendors at that development, then all Applicable Procurement Guidelines shall apply.

D. Non-Competitive Procurement

Non-competitive procurements are the least preferred methods of acquisition of services, supplies or other property regardless of whether or not the projected costs exceeds the simplified acquisition threshold.

Conditions for Use:

Procurement by non-competitive proposals or bids may only be used when award of a contract is infeasible under small purchase procedures, sealed bids or competitive proposals and one of the following circumstances applies:

- After solicitation of a number of sources, competition is determined to be inadequate (typically only one proposal

or bid is received).

- The item is available only from a single source;
- The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation.

#### 1. Non-Competitive Procurement for Inadequate Competition

(i) Typical Uses:

- a) When procurement is conducted through the solicitation of a proposal or bid from only one source; or
- b) After a solicitation to a number of sources, competition is determined to be inadequate (typically only one proposal or bid is received).

(ii) Steps to purchase via a non-competitive procurement – Preparation

- a) At a regular or specially called P-Team, the User department will identify the service or commodity, give a brief description and explain why it was omitted from the Annual Procurement Plan.
- b) The User department representative will present the P-Team a cost estimate, a purchase requisition approved by the CHA Budget Department and a non-competitive justification memo, in accordance with the Non-Competitive Procurement Policy. The CHA Review Committee on Non-Competitive Procurements, comprised of CHA personnel selected by the CHA Contracting Officer, will review and explore the rationale for the non- competitive justification and either decide to approve or disapprove its recommendation to the CHA Contracting Officer. All purchase requisitions shall be logged-in to the department of Procurement and Contracts.
- c) The Contracting Officer will review the non-competitive justification memo, and the recommendation and findings, if any, of the CHA Review Committee on Non-Competitive Procurements. The Contracting Officer shall have the final determination to either authorize, decline a non-competitive procurement. The Contracting Officer may request additional information after the CHA Review Committee on Non-Competitive Procurements has made its recommendation before rendering a final determination.
- d) If the Contracting Officer authorizes the non-competitive procurement, the Contract Compliance Specialist will contact the contractor to submit the requisite evidence of compliance with CHA's M/W/DBE policy and Section 3 requirement.

(iii) Board Approval

- a) If the value of the contract exceeds the CHA Significant Actions Policy threshold amount of \$150,000, the Contracting Officer shall not award a contract absent Board approval.
- b) After the Contracting Officer makes a final determination to award a contract from an evaluation of proposals in response to an RFP, the Buyer, through the P-Team will assemble a Board Packet. The Board packet should contain all of the information as well as a Board letter and Resolution according to the terms of the Board Agenda Procedures Handbook. The Board Packet should be routed through the CHA departments listed in Article IV (C)(1)(v)(b)(1)(a.- d.) in the same manner as described therein.

(iv) Contract Formation.

- a) The Buyer will assemble all documents from the non-competitive proposal and forward same to the Legal department for the contract to be drafted.
- b) Once the contract is drafted, the Legal representative will forward same to the Buyer, who will in turn forward it to the contractor for signature. The Contractor must be required to re-submit two executed contracts to the Buyer who will re-submit to the Legal department to assure no terms have been changed.
- c) The General Counsel will affix his/her signature to the contract if the contract has not been modified and return it to the Buyer for signature by the Contracting Officer.
- d) The Contracting Officer will execute the contract and arrange for an original copy to be sent to the contractor and an original to be maintained within the procurement/contract file.
- e) The Buyer will enter the specific details of the contract into the CHA's electronic records and generate a P.O.
- f) The Contracting Officer will sign the P.O. and the original will be maintained within the contract file.

2. Non-Competitive Procurement from a Sole Source

All sole source procurements ("Sole Source") will require a Justification for Sole Source Procurement Application ("Application") and approval by the Sole Source Review Committee ("SSRC") prior to award.

All proposed Applications will be posted on the Agency's public website for a period of three (3) weeks. During this period, the public will be invited to comment and/or object and make substantive claim that the procurement is not a Sole Source.

All public comments and/or objections will be provided to the SSRC. The SSRC will take into consideration the justification and supporting documents

from the using department requesting the Sole Source Award, as well as the justification of the vendor and all public comments when reaching its decision. If the SSRC approves the Application, then the Procurement Department will prepare a Sole Source contract for the vendor and route the recommendation for approval. If the SSRC rejects the Application, then the Application will be returned to the user department for a resubmission as a competitive procurement.

(i) Typical Uses:

- a) This solicitation is the only method for procurement of unique services or commodities.
- b) May be used for the procurement of unique services or commodities regardless of whether or not the anticipated cost exceeds the Simplified Acquisition Threshold.

(ii) Steps to purchase via a sole source procurement – Preparation

- a) User departments must create a request/requisition and submit a complete justification package to be considered by the SSRC.

User departments should be highly cognizant that the entire sole source process may take 2-6 months and should prepare accordingly; the fact that an existing contract is about to expire is not sufficient justification for approval by the SSRC.

- b) Justification packages must include, at a minimum, the following requirements.
  - Justification Memo detailing the rationale and necessity for the procurement as well as the estimated cost and term of the agreement/contract
  - Scope of work
  - Complete, written justification from the vendor (on vendor letterhead) detailing the reasons why they are considered the exclusive and unique provider solely capable of supplying the goods/services
  - Required Compliance schedules
  - Insurance Certificate, if applicable
  - List of user department's personnel participating in the SSRC meeting
  - If applicable, a current and valid price quotation for the goods and/or services, on the vendor's letterhead
  - Any applicable grant agreements or other benchmark information the user department deems relevant to its request



- c) Non-compete web notice will be publicly posted on agency website for a minimum of three (3) weeks
- d) If there are public objections and/or comments, those objections/comments will be forwarded to the SSRC to be considered as part of their review.
- e) After minimum of three (3) weeks, the web notice is removed from the Agency's website.
- f) SSRC convenes to review and approve or reject the Memo.
- g) Assigned Procurement Specialist prepares folder to route for CPO review/approval.
- h) Rejected Justification Memo is returned to the user department for resubmission as a competitive procurement.
- i) A copy of the approved justification memo will be forwarded to the requesting department and, if applicable, Legal for drafting of a contract.

Board Approval

- a) If the value of the contract exceeds the CHA Significant Actions Policy threshold amount of \$150,000, the Contracting Officer shall not award a contract absent Board approval.
- b) After the Contracting Officer makes a final determination to award a contract, the Buyer, through the P-Team will assemble a Board Packet. The Board packet should contain all of the information as well as a Board letter and Resolution according to the terms of the Board Agenda Procedures Handbook attached herein as exhibit. The Board Packet should be routed through the CHA departments listed in Article IV (C)(1)(v)(b)(1)(a.- d.) in the same manner as described therein.

(vi) HUD approval

- a) If the value of the contract exceeds the Simplified Acquisition Threshold (currently \$150,000) the Contracting Officer shall not award a contract absent HUD approval.
- b) After the Contracting Officer makes a final determination to award a contract, the CHA Department of Procurement and Contracts will send a request for authorization to HUD with sufficient information for HUD to evaluate the sole source request.

(vii) Contract Formation.

- a) The Buyer will assemble all documents from the sole source proposal and forward same to the Legal department for the contract to be drafted.
- b) Once the contract is drafted, the Legal representative will forward same to the Buyer, who will in turn forward it to the

contractor for signature. The Contractor must be required to re-submit two executed contracts to the Buyer who will re-submit to the Legal department to assure no terms have been changed.

- c) The General Counsel will affix his/her signature to the contract if the contract has not been modified and return it to the Buyer for signature by the Contracting Officer.
- d) The Contracting Officer will execute the contract and arrange for an original copy to be sent to the contractor and an original to be maintained within the procurement/contract file.
- e) The Buyer will enter the specific details of the contract into the CHA's electronic records and generate a P.O.
- f) The Contracting Officer will sign the P.O. and the original will be maintained within the contract file.

### 3. Non-Competitive Procurement for Public Exigency or Emergency

#### (i) Typical Uses:

- a) Emergency: An unforeseen or unpreventable event or occurrence which threatens the life, health and safety of the residents of the properties managed by the CHA.
- b) Public Exigency: A sudden and unforeseen occurrence or condition; a perplexing contingency or complication of circumstances; or a sudden or unexpected occasion for action.

To issue this type of procurement, the Senior Procurement Specialist (SPS) / Procurement Specialist (PS) must ensure the requesting department follows the following steps:

- 1) Prepare and submit Authorization to Proceed (ATP) and Non-Compete memo and submit to [e-procure@thecha.org](mailto:e-procure@thecha.org).
- 2) Create requisition in Lawson (flag "quote required – No") (Item type Non-Compete).
- 3) Obtain quote.
- 4) Create and provide independent cost estimate and cost analysis.
- 5) Submit Task Order/Contract or Modification.
- 6) Non-Compete documentation is reviewed.
- 7) Upon approval, work with legal to create contract, if applicable. DPC signs and approves ATP memo.
- 8) PS will track the start dates for approved Emergency Contracts and will take appropriate actions if contract guidelines are not followed.

## ARTICLE V. ALTERNATIVE PROCUREMENT METHODS

Alternative procurement methods may be used in limited situations where the CHA can either certify it is receiving a quantifiable advantage for not proceeding competitively or can manifest an overriding CHA or HUD policy principle allowed by federal and applicable state and local laws.

### A. Cooperative Purchases

To foster greater economy and efficiency, non-Federal entities are encouraged to participate in State and local Cooperative Purchasing Agreements for the use of common goods and services.

Before utilizing any cooperative purchasing agreements, the CHA should compare the cost and availability of the identified supplies or services on the open market with the cost of participating in the cooperative purchasing agreement with another sister agency to ensure it is the most economical and efficient method.

The CHA must take steps to ensure that any supplies or services obtained using another agency or another agency's contract are purchase in compliance with 2 C.F.R 200.317-326.

The CHA's procurement files should contain a copy of the cooperative purchasing agreement and documentation showing the cost and availability were evaluated before the agreement was executed, and these factors are reviewed and compared at least annually with those contained in the agreement.

#### 1. Intergovernmental Agreements (IGA)

##### (i) Conditions for Use:

- a) Are limited to State and local governmental entities.
- b) Must address use of common goods and services

##### (ii) Steps in the process for IGAs – Preparation.

- a) At a regular of specially called P-Team, the User department identifies the service or commodity from the Annual Procurement Plan or gives reasons why it was omitted.
- b) The User department representative presents the P-Team a cost estimate, and a purchase requisition approved by the CHA Budget department.
- c) The P-Team cooperates with the Legal representative with his/her preparation of an IGA.

##### (iii) Contents

- a) The IGA must be in writing;
- b) Specify the service or commodity;
- c) Specify the method of delivery;

- d) State the price and method of payment
- e) State a specific term the agreement will be in effect;
- f) Identify the rights and responsibilities of all parties;
- g) State any additional and appropriate terms and conditions.

(iv) Board Approval and Execution

- a) The Legal representative to the P-Team will present the P-Team with an IGA document that will be included in a Board Package submitted to the Board for approval regardless of whether or not it exceeds the CHA Significant Actions Policy threshold amount of \$150,000.
- b) The Board Packet will be routed by the Buyer through the CHA departments listed in Article IV(C)(1)(vi)(b)(1) in the same manner as described therein.
- c) After Board approval, the Legal department representative will obtain all necessary signatures and tender the complete Agreement to the Buyer to maintain in the procurement/contract file.
- d) The Buyer will enter the specific details of the contract into the CHA's electronic records and generate a P.O.
- e) The Contracting Officer will sign the P.O. and the original will be maintained within the contract file.

(v) Contract Administration and Close-out.

- a) The P-Team will monitor contractor performance via input from the User department representative and the Buyer or any other P- Team member who becomes aware of any problems that may affect contractor performance.
- b) The Contract Compliance Specialist from the P-Team will review certified payrolls and compare them against applicable wage rates for the area to monitor compliance with Section 3, if Section 3 applies.
- c) The Contract Compliance Specialist from the P-Team will also analyze M/W/DBE participation against CHA's policy or the policy of the state or local governmental agency.
- d) The P-Team should collect contract completion and close-out data and the Buyer will maintain the data within the contract file.

2. Joint Procurements

(i) Conditions for use:

- a) When the CHA might reasonably anticipate better volume

discounting by participating with a sister agency during the procurement process.

- b) All competitive requirements contained in 2 C.F.R. 200.317-326 and CHA's Procurement Policy must be satisfied.

(ii) **Steps in the joint procurement process – Preparation.**

- a) At a regular or specially called P-Team, the User department identifies the service or commodity from the Annual Procurement Plan or gives reasons why it was omitted.
- b) The User department representative presents the P-Team a cost estimate, and a purchase requisition approved by the CHA Budget department.
- c) The P-Team checks the procurement of the cooperating agency to verify that the CHA's needs with regard to the services or commodities are accurately stated.

(vi) **Contents**

- a) The joint procurement should be in writing or be clearly evidenced by the solicitation that is prepared;
- b) Specify the service or commodity that will be attributable to the CHA;
- c) Specify the method of delivery;
- d) State the price and method of payment
- e) State a specific term for the conduct of the solicitation;
- f) Identify the rights and responsibilities of all parties;
- g) State any additional and appropriate terms and conditions.

(vii) **Board Approval**

- a) The P-Team will present the joint procurement document that will be included in a Board Package submitted to the Board for approval regardless of whether or not it exceeds the CHA Significant Actions Policy threshold amount of \$150,000.
- b) For joint procurements, the Board should be requested to authorize the joint procurement and any contracts that result there from up to an amount not-to-exceed. The not to exceed amount shall be based on the cost estimate provided by the User department earlier. If the resulting contract results in an amount that exceeds the original cost estimate, the Board must give its authorization for the revised total amount prior to the incursion of any liability by the CHA.
- c) The Board Packet will be routed by the Buyer through the CHA departments listed in Article IV(C)(1)(vi)(b) in the same manner as described therein.
- d) After Board approval, procurement will be conducted either by

the CHA or the cooperating agency.

- e) The Buyer shall maintain all solicitation and contract records in the procurement/contract file.
- f) The Buyer will enter the specific details of the contract into the CHA's electronic records and generate a P.O.
- g) The Contracting Officer will sign the P.O. and the original will be maintained within the contract file.

(viii) Contract Administration and Close-out

- a) The P-Team will monitor contractor performance via input from the User department representative and the Buyer or any other P- Team member who becomes aware of any problems that may affect contractor performance.
- b) The Contract Compliance Specialist from the P-Team will review certified payrolls and compare them against applicable wage rates for the area to monitor compliance with Section 3, if Section 3 applies.
- c) The Contract Compliance Specialist from the P-Team will also analyze M/W/DBE participation against CHA's policy or the policy of the state or local governmental agency.
- d) The P-Team should collect contract completion and close-out data and the Buyer will maintain the data within the contract file.

3. Reference Contracts (Piggyback Contracts)

(i) Conditions for use:

- a) When the CHA might reasonably anticipate better volume discounting by participating with a sister agency during the procurement process.
- b) All competitive requirements contained in 2 C.F.R. 200.317-326 and CHA's Procurement Policy must be satisfied.

(ii) Steps in the Piggyback Procurement Process – Preparation.

- a) At a regular or specially scheduled P-Team, the User department identifies the service or commodity from the Annual Procurement Plan or gives reasons why it was omitted.
- b) The User department representative gives the Procurement Specialist a cost estimate and a purchase requisition approved by the CHA Budget department.
- c) Review Sister Agency Contract and Solicitation to determine if CHA may participate.
  - Was the solicitation competitive?

- Does the contract include participation language?
- d) Obtain approval from Sister Agency to participate
- e) Obtain approval from CHA General Counsel to participate
- f) Obtain approval from vendor to participate (Consider negotiating price and / or additional terms)
- g) General Counsel to draft contract (Communicate any change in price or terms to General Counsel)
- h) General Counsel to route draft contract to Procurement Specialist (Procurement reviews and mails contract to vendor to secure signature)
- i) Vendor mails back signed contract to Procurement
  - Procurement routes to General Counsel to secure signature
  - General Counsel routes to Procurement for Contracting Officer's signature
- j) Procurement assigns contract number and sends signed contract to vendor
- k) Procurement releases purchase order from any related requisitions
- l) Procurement files the contract

B. Contracting with Small and Resident Owned Businesses (ROBs)

The policies and procurement methods described hereafter are intended to incubate traditionally disadvantaged contracting sources in order to foster greater competition overall.

1. Section 3 of the HUD Act of 1968

(i) Intent:

- a) To ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, be directed toward low and very low income persons, particularly those who are recipients of government assistance for housing and to business concerns that provide economic opportunities to low and very low income persons.

(ii) Application of Section 3:

- a) The Contract Compliance Specialist shall apply the procedures published in CHA's Section 3 Policy Manual and Section 3 Guideline Booklet to assure compliance with Section 3.

## 2. CHA M/W/DBE Goals

### (i) Intent:

- a) It is the policy of the CHA that Minority and Women Business enterprises, as defined in regulations developed by the HUD Secretary as cited in CHA's Procurement Policy Manual, shall have the maximum opportunity to participate in the performance of contracts financed in whole or in part with federal funds.

### (ii) Application of M/W/DBE Goals:

- a) The Contract Compliance Specialist shall apply the procedures published in CHA's M/W/DBE Policy Manual to assure compliance with CHA's M/W/DBE goals.
- b) The M/W/DBE Policy Manual specifies the following items for compliance:
  1. Placing qualified M/W/DBE firms on solicitation lists;
  2. Assuring that M/W/DBEs are solicited whenever they are potential sources;
  3. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by M/W/DBEs;
  4. Establishing delivery schedules, where the requirement permits, which encourages participation by MBE/WBEs;
  5. Using the services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
  6. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in this section.

## 3. Alternative Procurement Method – Resident-Owned Businesses

### (i) Intent

- a) It is the policy of the CHA and HUD to encourage contracting opportunities with residents directly as a means of moving low- income persons out of poverty and incubating historically disadvantaged companies.

### (ii) Conditions for Use

- a) For a ROB to qualify, the full time permanent workforce of the ROB must include people, thirty (30%) percent of whom, are Section 3 residents or who were Section 3 residents within three (3) years of the date of first employment with the ROB.
- b) The total amount of any contract, including any amendments



awarded under the Alternative Procurement Section, to a ROB cannot exceed \$1,000,000. No ROB may receive contracts for CHA business in excess of \$1,000,000 under the Alternative Procurement Method.

(iii) Application of Alternative Procurement

- a) All of the procedures with regard to procurement of competitive proposals listed in Article IV (C)(2) shall apply. 24 C.F.R. 963 and CHA's Procurement Policy authorizes a competitive solicitation exclusive to ROB's.

c. Executing Options on Current Contracts

(i) Typical Uses

- a) When the CHA needs to acquire additional supplies or services that did not automatically form the basis of the original contract, but which were contemplated by the pricing of additional quantities that could be purchased at the CHA's sole discretion.
- b) When the additional supplies or services as priced in the contract as a unilateral right to the CHA can be quantified as more advantageous than competitively soliciting the marketplace.

(ii) Conditions for Use

- a) The option had to have been priced in the original contract. An un-priced option (a price quoted by the current contractor any time after the contract formation) must be treated as a new procurement.
- b) A contract may only be extended to a total of five years, inclusive of the original term.
- c) The further the term of the extension, to the original term of the contract, the more detailed a cost analysis the Contracting Officer shall require, prior to authorizing the modification.
- d) The options in addition to being priced must specify a period of time by which the CHA must notify the contractor of the intent to authorize the option.
- e) If the contract amount is increased by an amount that exceeds the Significant Actions Policy Threshold (currently \$150,000), the Contracting Officer shall not execute a contract modification absent Board approval and under no circumstances can this increase exceed 50% of the original contract amount. The process for Board approval in the form stated in Article IV (C)(2)(ix).

- (iii) Steps for exercising an Option – Preparation
  - a) At a regular or specially scheduled P-Team, the User department identifies the services or commodity from the Annual Procurement plan or gives reasons why it was omitted.
  - b) The User department representative presents the Procurement Specialist a cost analysis and a purchase requisition approved by the CHA Budget department.
  - c) Review the relevant portion of the contract that authorizes the CHA to exercise an option at its sole discretion. Evaluate the cost analysis and compare it and the option to the conditions for use and make a recommendation to the Contracting Officer.
  - d) The Contract Compliance Specialist will contact the contractor for revised compliance Schedules A, B, & C.
  
- (iv) Execution
  - a) General Counsel will receive the pertinent information to prepare a contract modification from the Procurement Specialist, draft a contract modification and re-submit to Procurement.
  - b) After the contract modification document is received, the Procurement Specialist will forward two (2) copies of the same to the contractor for execution.
  - c) Once the contract modifications have been received, the General Counsel will certify that the documents have not been altered and that the Contracting Officer can execute the documents.
  - d) The Contracting Officer executes the contract modification and the Buyer prepares a P.O. that the Contracting Officer signs thereafter.
  
- (v) Contract Administration and Close-Out.
  - a) The P-Team will monitor contractor performance via input from the User department representative and the Buyer or any other P- Team member who becomes aware of any problems that may affect contractor performance.
  - b) The Contract Compliance Specialist from the P-Team will review certified payrolls and compare them again with the applicable wage rates for the area to monitor compliance with Section 3 if Section 3 applies.
  - c) The Contract Compliance Specialist from the P-Team will also receive and analyze M/W/DBE payment requests to monitor the contractor's progress towards meeting their

M/W/DBE goals. The Contract Compliance Specialist will report any problems to the Contracting Officer and the vendor.

- d) The P-Team should collect contract completion and closeout data and the Buyer will maintain the data with the contract file.

D. Construction Change Orders

All CHA construction contracts will contain a changes clause that gives the CHA a unilateral right to authorize deviations from the plans and specifications that are within the Scope of Work. The changes clause is for the benefit of the CHA to assure that when construction or rehabilitation is complete, that the CHA has a portfolio of public housing stock that complies with its stated goals. The changes clause does not confer any right to the additional work by the current contractor. Work ordered by the CHA that is properly the subject of a change order must be performed by the contractor, in keeping with its highest duty under contract, the duty-to-proceed.

- (i) Policy Summary – Occasionally, it is necessary for the CHA to modify a Contract or Purchase Order to reflect changes in the required effort. Contract and Purchase Order modifications shall be issued in one of the following modifications:
  - a) Bilateral modification or amendment (such as supplemental agreement) in which both parties mutually agree on contract changes that is signed by both the CEO and the contractor is the preferred method of modifying contracts and purchase orders. All contract modifications shall be in writing.
  - b) Unilateral modification (a modification that is signed only by the CEO or Contracting Officer), such as a change order pursuant to the Changes clause on Form HUD-5370, or administrative modification, such as a change in the contractor's address.
- (ii) Typical Uses:
  - a) When a General Contractor recommends and the CHA accepts the General Contractor's suggested deviation from the plans and specifications for building or rehabbing and the deviation will represent a changed level of effort or estimated quantities.
  - b) When a deviation from the plans and specifications for building or rehabbing, that is within the Scope of Work, is required for successful completion of constructions activities and the deviation will represent a changed level of effort or estimated quantities.
  - c) When the CHA wishes to unilaterally require additional services or estimated quantities that are within the Scope of Work and the additional service or estimated quantities will represent a changed level of effort or estimated quantities.

- d) When the General Contractor encounters either a Type I or II Differing Site Condition that affects the level of effort required under the contract
  - 1. Type I – Subsurface or latent conditions. A condition that existed pre-bid; that is physical; that is on site; and that is material or major.
  - 2. Type II – An unknown or unusual condition. This is a very high industry standard to meet.

(iii) Additional time and /or funding:

To the extent that the vendor agrees to maintain current contract terms, conditions and pricing:

- a) Contracts that require additional time and funding. To avoid any gaps in service or materials the contract term shall not be extended more than one calendar year and additional funding shall not exceed 50% of the original contract value unless authorized by the Contracting Officer.
- b) Contracts that require additional funding, but not time, due to unanticipated increased usage, can increase funding, as needed, to meet the original term of the contract; however, under no circumstances can this increase exceed 50% of the original contract value unless authorized by the Contracting Officer.
- c) Contracts that require additional time, but not funding, can be extended for a period of time commensurate with the remaining funding, however, under no circumstances can the extension exceed 1 year.

(iv) Conditions for Use:

All Change Orders and Contract Amendments shall be within the general scope of the contract and cannot represent cardinal changes to the contract. A cardinal change is a major deviation from the original purpose of the work or the intended method of achievement, or a revision of contract work so extensive, significant or cumulative that, in effect, the contractor is required to perform very different work from that described in the original contract. The procurement administrator shall review and verify that the changed work is not a cardinal change to the contract. In the event the change will be a cardinal change to the contract, the work must be publicly solicited as a separate contract and cannot be undertaken as a change to a current contract.

- a) The deviation from the plans and specifications must be within the Scope of Work. The changes clause is unilateral right to the CHA to authorize deviations from the plans and specifications for construction that is within the Scope of

Work. Deviations from the plans and specifications for construction that are outside of the Scope of Work may only be accomplished via a bilateral agreement with the general contractor. Examples of changes that would be within the Scope of Work include:

1. Changes in the specifications that are not so large that they alter the essence of the contract.
  2. Changes in the method or manner of performance of the work that is not as large as to alter the essence of the contract.
  3. Changes in the amount of CHA supplied equipment, materials or service that are so large as to alter the essence of the contract.
  4. Directing acceleration in the performance of the work.
- b) The change order must be competitively procured or state an acceptable reason why it was not. The User department must:
1. Competitively solicit bids for the value of the deviation; or
  2. Document the impracticality of bidding the changed work; or
  3. Document the overwhelming value received from the bid of the current contractor so as to obviate the solicitation of additional bids.
- c) Every change order must have been the subject of negotiation, unless the CHA Contracting Officer can certify there existed an overwhelming reason why it was not necessary with sufficient specificity maintained in the procurement/contract file.
- d) A change order must be in writing.
- e) The Contracting Officer is satisfied that the changes clause is not being used to circumvent the requirement for competition. The Contract Officer may not award a contract with the intention of using change orders to alter the work to be performed.
- f) If the change order is based on a claim by a Contractor for a differing site condition, it must be categorized as either a Type I or Type II differing site condition with a sufficient factual basis to sustain it.
- (v) Steps in the Change Order Process – Preparation
- a) The CHA or the General Contractor will identify work that represents a deviation from the plans and specifications which will reflect a changed level of effort by the contractor and

require a written change order.

- b) At a regular or specially called P-Team, the User department presents the P-team any and all cost estimates and cost analysis that were prepared with regard to the work that is the subject of the change order in the form of a Board Packet, whether or not Board approval is required. The Board Packet shall contain the following:
  1. A routing slip with the following assents indicated thereupon:
    - a. The User department.
    - b. Risk Management
    - c. Director of User department
    - d. Managing Director of User department
    - e. Contracting Officer
    - f. General Counsel
  2. Any and all cost estimates and cost analysis.
  3. A purchase requisition approved by CHA Budget's department.
  4. A justification memorandum addressed to the Contracting Officer that shall contain the following:
    - a. A detailed description of each item to aid in determining whether or not it remains within the scope of service.
    - b. A reference to the applicable working drawings and specifications; where applicable.
    - c. An estimate of additional time, if any, required to complete the work.
    - d. A classification of each item that represents an acceptable basis for proceeding pursuant to the changes clause such as the following:
      - i. Owner requested change within the Scope of Work.
      - ii. An error or omission in the plans and specs.
      - iii. A Type I or II differing site condition.
      - iv. Delay claims that are attributable to the CHA.
    - e. A contractor's itemized breakdown of the cost of materials, labor and an itemized breakdown for any subcontractors and anticipated profit under the change order.

- f. A description of the history with regard to all efforts made toward negotiation.
  - g. The percentage of the original contract amount that the current and all prior contract modifications represent.
5. A contract modification form requiring signatures from all of the appropriate parties from the following list:
    - a. Contractor
    - b. Director of Capital Construction
    - c. Managing Director of Operations
    - d. Contracting Officer
    - e. HUD (If appeal from Contracting Officer is successful)
  6. Form 33E Certification.
  7. Architect and /or OR's review and approval in writing.
  8. Approval Schedules A, B, and C from the contract compliance division, secured by the Contract Compliance Specialist, of the change order with CHA's Goals with regard to MBE/WBE and HUD's requirement for Section 3.
  9. A one-page sheet evidencing contract compliance's assent to Schedules A, B, & C.
  10. Proof in insurance that is of the requisite type and level acceptable to the Risk Management Department.
- c) The Department of Procurement and Contracts and the Legal department will concurrently review the change order Board packet for adequate justifications of all items.

(vi) Authorization

- a) The Contracting Officer shall have the final inter-agency determination about whether or not to approve a change order. The Contracting Officer may choose to express a partial authorization in which case, the User department has the option to remove the unauthorized work from a change order and resubmit for full approval, or withdraw the entire change order until such time it can re-submit the entire change order for approval.
- b) In the event the Contracting Officer declines to authorize all or any part of a change order, the User department must either withdraw the change order or submit it to HUD for approval. If

the User department elects to submit for HUD review, the change order will be forwarded to HUD by the Contracting Officer accompanied with a brief description of the change order and the basis for declining to approve. HUD may authorize the change order despite the determination of the CHA Contracting Officer.



## ARTICLE VI. COST ESTIMATES, PRICE ANALYSIS AND COST ANALYSIS

CHA new regulations require a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold, including Contract Modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the CHA must make independent estimates before receiving bids or proposals.

### A. Cost Estimates

An independent cost estimate is a written calculation of the estimated costs and price of goods or services the CHA intends to purchase. A cost estimate **must** be performed **prior** to any procurement activity. The level of detail for the cost estimate will vary with the dollar amount of the procurement, requiring increasing detail as the anticipated cost increases. All cost estimates shall be considered confidential information that can affect the pricing received in future solicitations from potential contractors even after a current solicitation has been completed. It is in the best interests of the CHA and the good administration of public contracting to maintain the integrity of the cost estimate determination by maintaining confidentiality. A cost estimate can follow the following guidelines for complexity:

1. Simple Estimates - Appropriate only for small purchases and may be limited to a detail of the most recent price paid for the same or similar item. Upon receipt of a cost/price proposal from a prospective vendor the simple cost estimate would be used to evaluate the proposed costs and price and accommodate any adjustments by factoring in such considerations as inflation or a slightly increased or decreased level of service or slight variance of goods to be ordered.
2. Complex Estimates - Appropriate for larger contracts, but may be used for small purchases.
  - (i) Complex Cost Estimate Detail.
    - a) Direct or indirect unit costs,
    - b) Labor costs,
    - c) An estimate about the number of labor hours,
    - d) General administrative costs,
    - e) Anticipated profit and
    - f) Any other factor that is anticipated to impact pricing overall.

In developing the independent cost estimate, the CHA may use published price lists, commercial construction cost estimating publications or services, known Davis-Bacon wage rates and pricing history from prior contracts, as long as the pricing is not otherwise irrelevant. Upon receipt of a cost/price proposal from a prospective vendor, a detailed comparison of all the elements in the complex

estimate against all proposals received from prospective vendors would be the basis for beginning a complete cost analysis.

B. Price Analysis

A price analysis is an evaluation of a total proposed price without a separate analysis of the elements of cost. Wherever a cost analysis is not performed, a price analysis that makes an affirmative determination about reasonableness is required.

(i) Methods for Conducting a Price Analysis

- a) Compare proposed prices to cost estimate and other proposed prices received.
- b) Compare proposed prices to prices currently paid for same or similar goods or services.
- c) Use index pricing that is current and is for the same or similar goods or services.

(ii) When a Price Analysis may be used

- a) For Petty Cash purchases of \$100 or less.
- b) For small purchases of \$2,500 or less.

c. Cost Analysis

A cost analysis is review and evaluation of all of the elements of cost and price that make up a contractor's proposal. A properly performed cost analysis requires adherence to HUD Handbook 2210.18 Cost Principals for For-Profit Corporations (HUD Handbook 2210.18). HUD Handbook 2210.18 provides detailed guidance regarding principals of allowability, allocability and reasonableness.

(i) Allowability.

- a) HUD Handbook 2210.18 should be consulted for specific details about what cost elements and elements of price are permissible and which may not be allowed.

(ii) Allocability.

- a) A cost is allocable if it chargeable to one or more cost elements related to the performance of the work that is properly the subject of the contract. An otherwise chargeable qualified cost of performance by a vendor to the CHA cannot be allowed by the Contracting Officer if it is improperly characterized as a direct vs. indirect cost.
  - 1) Direct Cost – Any cost that can be attributed entirely to the performance on a particular contract.
  - 2) Indirect Cost – A cost of business that is only proportionally attributable to a particular contract
- b) An indirect cost from a vendor to the CHA cannot be allocated to a direct cost category as the CHA is only allowed to pay a proportional cost of a vendor's total indirect cost of business (e.g. a business lease)

- c) HUD Handbook 2210.18 should be consulted for specific details about what cost elements and elements of price are allowable.
- (iii) Reasonableness from HUD Handbook 7460.8 REV-1:
- a) Even if otherwise allowable and allocable, a proposed cost from vendors must be reasonable. The standard for reasonableness that the Contracting Officer shall apply will be that of an ordinary prudent person in the conduct of competitive business in that industry.
  - b) Factors in Applying the Reasonableness Standard to Cost Elements:
    - 1) What requirements are imposed by the contract terms and conditions
    - 2) Whether the cost is of a type generally recognized as ordinary and necessary of the conduct of the contractor's business or the performance of the contract
    - 3) Generally accepted sound business practices, arms' length bargaining and Federal/State laws and regulations
    - 4) The actions that a prudent business manager would take under the circumstances, including general public policy and considering responsibilities to the owners of the business, employees, customers and the CHA
    - 5) Significant deviations from the contractor's established practices which may unjustifiably increase the contractor's costs
    - 6) Any other relevant circumstances
- (iv) Cost Analysis Procedure
- 1) Ensure the bid or proposal includes an adequate cost breakdown of all appropriate costs and fees for material, labor and fees.
  - 2) Ensure that all of the elements of costs and fees meet the tests of allowability, allocability and reasonableness.
  - 3) Compare the cost and prices of the bids or proposals to the independent cost estimate. In instances where there is a great degree of variance between the bids or proposals and the independent cost estimate, an explanation about variance and which figure is correct and why must be performed.
  - 4) Compare the cost and prices of the bids or proposals between themselves. A commonality in the range in the process should be a factor in affirming the

reasonableness of the cost and prices received. If there is a wide disparity in the costs or prices across the bids or proposals, that conversely will be a factor against the reasonableness of the cost and prices received.

- 5) Compare the cost and prices of the bids or proposals to the Scope of Work and certify that the pricing does not add additional non-requested work nor omits any portion of the required work.
- 6) Examine the percent of profit which should be separately detailed. The profit shall be separately negotiated by the contracting officer considering the nature of the work, the risk of performance by the vendor, the vendor's level of investment, the amount of subcontracting, the quality of the vendor's past performance and profit rates for that industry in the surrounding area.
- 7) The P-Team will make a preliminary determination about the reasonableness of all bids or proposals received and will make recommendations to the Contracting Officer. The Contracting Officer will make all final determinations about cost reasonableness.

## ARTICLE VII. RESPONSIBILITY DETERMINATIONS

### A. Responsibility

The determination made by the CHA Contracting Officer with regard to a prospective vendor's technical and financial capacity to perform the Scope of Work is assessing responsibility.

### B. Contracting Officer's Duties Regarding Responsibility

The Contracting Officer is charged with the duty to make an affirmative responsibility determination before awarding any contract. In order to fulfill this duty, the Contracting Officer must exercise discretion that is based on a review of documents submitted in response to a solicitation and any other documents or experiences of other governmental or private agencies with direct business experience with a proposed vendor. Potential sources of information include the following:

1. Relevant past performance on CHA work.
2. Whether or not a vendor appears on the federal de-barred list.
3. Verifiable historical performance of vendors with other governmental and private agencies.
4. Publications
5. Trade associations

### C. Responsibility Determination Procedure

1. After proposals or bids are received, the Buyer will assemble a tabulation of the responses to a particular solicitation. The tabulation will include the following information:
  - (i) The names of the respondents
  - (ii) The individual and averaged scores (RFP)
  - (iii) The prices of the respondents
2. If the Buyer or any evaluator discovers an issue that would impact on the determination of a proposed vendor's responsibility, the Buyer is required to alert the Contracting Officer.
3. Once alerted about a question of responsibility of a vendor who submits a proposal or bid, the Contracting Officer oversees the gathering of information by the Buyer. The main source of information about a potential vendor's responsibility is the potential vendor. Any vendor who declines to provide any additional relevant or potentially relevant information may be determined non-responsible for that reason alone.
4. Upon receipt of any additional information, the Buyer will review the information and make a recommendation to the Contracting Officer if the information presented is sufficient to sustain a recommendation.
5. The Contracting Officer may require potential vendors to appear for an appointment to discuss issues of technical ability and financial capacity and to discuss any and all aspects of their proposal or bid and the

CHA's expectation of the performance of the work.

6. The Contracting Officer may require potential vendors to receive CHA personnel to inspect firsthand a vendor's plan, equipment or personnel.
7. The Contracting Officer will either determine that insufficient information exists to allow the Contracting Officer to discharge the duty to make an affirmative determination about responsibility and therefore decline to award a contract to that vendor or affirmatively determine the potential vendor to be non-responsible and likewise decline to award a contract to that vendor. Discretion must be exercised in good faith and not on arbitrary or capricious criteria. Non-arbitrary and capricious criteria include:
  - a. Whether a vendor has the ability to perform as the solicitation required or their proposal/bid specified?
  - b. Whether a vendor has the financial resources to perform?
  - c. Whether a vendor could comply with delivery schedules?
  - d. Whether a vendor has adequate facilities and equipment?
  - e. Whether a vendor has the requisite management and technical capability?
  - f. Whether a vendor has the requisite licenses to perform?
  - g. Whether or not the owners or management of a vendor have the integrity to perform.

D. Good Faith Efforts

In the event a bidder/proposer is not able to commit to the contract goals, in whole or part, as listed in the specification document, Documentation of Good Faith Efforts to Utilize MBEs and WBEs will need to be submitted with the bid. The following is a guide to be used in submitting documentation to the City.

1. If a bidder/proposer determines that it is unable to meet the Contract Specific Goals, it must document its good faith efforts to do so, including the submission of a Schedule H: Documentation of Good Faith Efforts to Utilize MBEs and WBEs and Schedule C: Log of Contacts. Failure to submit a complete Schedule H and Schedule C will cause the bid to be rejected as non-responsive.
2. Documentation must include but is not necessarily limited to:
  - a. A detailed statement of efforts to identify and select portions of work identified in the bid solicitation for subcontracting to MBEs and WBEs;
  - b. A listing of all MBEs and WBEs contacted for the bid solicitation that includes:
    - i. Names, addresses, emails and telephone numbers of firms solicited;

- ii. Date and time of contact;
    - iii. Person contacted;
    - iv. Method of contact (letter, telephone call, facsimile, electronic mail, etc.).
  - c. Evidence of contact, including:
    - i. Project identification and location;
    - ii. Classification/commodity of work items for which quotations were sought;
    - iii. Date, item, and location for acceptance of subcontractor bids;
    - iv. Detailed statements summarizing direct negotiations with appropriate MBEs and WBEs for specific portions of the work and indicating why agreements were not reached.
    - v. Bids received from all subcontractors.
  - d. Documentation of bidder or contractor contacts with at least one of the minority and women assistance associations on Attachment A.
- 3. Agreements between a bidder or contractor and a MBE or WBE in which the MBE or WBE promises not to provide subcontracting quotations to other bidders or contractors are prohibited.
- 4. Prior to award, the bidder agrees to promptly cooperate with the Department of Procurement Services in submitting to interviews, allowing entry to places of business, providing further documentation, or soliciting the cooperation of a proposed MBE or WBE. Failure to cooperate may render the bid non-responsive.
- 5. If the City determines that the Compliance Plan contains minor errors or omissions, the bidder or contractor must submit a revised Compliance Plan within five (5) business days after notification by the City that remedies the minor errors or omissions. Failure to correct all minor errors or omissions may result in the determination that a bid is non-responsive.
- 6. No later than three (3) business days after receipt of the executed contract, the contractor must execute a complete subcontract agreement or purchase order with each MBE and WBE listed in the Compliance Plan. No later than eight (8) business days after receipt of the executed contract, the contractor must provide copies of each signed subcontract, purchase order, or other agreement to the Department of Procurement Services.

Demonstration of Good Faith Efforts

- A. In evaluating the Schedule H to determine whether the bidder or contractor has made good faith efforts, the performance of other bidders or contractors in meeting the goals may be considered.
- B. The Chief Procurement Officer shall consider, at a minimum, the bidder's efforts to

1. Solicit through reasonable and available means at least 50% (or at least five when there are more than eleven certified firms in the commodity area) of MBEs and WBEs certified in the anticipated scopes of subcontracting of the contract, as documented by the Schedule H. The bidder or contractor must solicit MBEs and WBEs within seven (7) days prior to the date bids are due. The bidder or contractor must take appropriate steps to follow up initial solicitations with interested MBEs or WBEs.
2. Advertise the contract opportunities in media and other venues oriented toward MBEs and WBEs.
3. Provide interested MBEs or WBEs with adequate information about the plans, specifications, and requirements of the contract, including addenda, in a timely manner to assist them in responding to the solicitation.
4. Negotiate in good faith with interested MBEs or WBEs that have submitted bids. That there may be some additional costs involved in soliciting and using MBEs and WBEs is not a sufficient reason for a bidder's failure to meet the Contract Specific Goals, as long as such costs are reasonable.
5. Not reject MBEs or WBEs as being unqualified without sound reasons based on a thorough investigation of their capabilities. The MBE's or WBE's standing within its industry, membership in specific groups, organizations, or associations and political or social affiliations are not legitimate causes for rejecting or not soliciting bids to meet the Contract Specific Goals.
6. Make a portion of the work available to MBE or WBE subcontractors and suppliers and selecting those portions of the work or material consistent with the available MBE or WBE subcontractors and suppliers, so as to facilitate meeting the Contract Specific Goals.
7. Make good faith efforts, despite the ability or desire of a bidder or contractor to perform the work of a contract with its own organization. A bidder or contractor who desires to self-perform the work of a contract must demonstrate good faith efforts unless the Contract Specific Goals have been met.
8. Select portions of the work to be performed by MBEs or WBEs in order to increase the likelihood that the goals will be met. This includes, where appropriate, breaking out contract work items into economically feasible units to facilitate MBE or WBE participation, even when the bidder or contractor might otherwise prefer to perform these work items with its own forces.
9. Make efforts to assist interested MBEs or WBEs in obtaining bonding, lines of credit, or insurance as required by the City or bidder or contractor.
10. Make efforts to assist interested MBEs or WBEs in obtaining necessary equipment, supplies, materials, or related assistance or services; and
11. Effectively use the services of the City; minority or women community organizations; minority or women assistance groups; local, state, and federal minority or women business assistance offices; and other organizations to provide assistance in the recruitment and placement of MBEs or WBEs.



c. If the bidder disagrees with the City’s determination that it did not make good faith efforts, the bidder may file a protest pursuant to the Department of Procurement Services Solicitation and Contracting Process Protest Procedures within 10 business days of a final adverse decision by the Chief Procurement Officer.

**M/W/DBE**

**Good Faith Effort Review and Documentation**

In order to show that a bidder/proposer has documented and made good faith efforts in meeting the contract goals, the bidder/proposer must present the following:

1. An MBE/WBE or DBE compliance plan demonstrating how the bidder/proposer plans to meet the Contract Specific Goals (Schedule D); and /or
2. Documentation of Good Faith Efforts

The following is a list of the types of actions the City will consider as part of the bidder’s/proposer’s good faith efforts when the bidder/proposer fails to meet the MBE/WBE or DBE contract goals (in whole or part). This list is not intended to be a mandatory checklist, nor is it intended to be exclusive or exhaustive. Other factors or types of efforts may be relevant when reviewing responses submitted by the bidder/proposer.

**Step 1: Prepare Summary of Bid Information**

- Documents Needed – Full copy of the Bid (i.e., bid tabulation sheet, cover page of specification, project information sheet that defines the goals, bid proposal pages, copy of the special conditions, Schedules, good faith effort submittal.
- Identify the following: Project Number, Project Description, Name of Bidder/Proposer, Name of Compliance Officer (Reviewing Officer), Date of Review, Base Bid Amount, Funding Source, MBE/WBE Contract Goal, Bid Advertisement Date, Bid Opening Date, Total number of Days for Advertisement, Percentage of Goal Commitment by Bidder/Proposer.
- Bidder/Proposer’s written statement identifying the efforts taken in trying to achieve the contract goals that had been set in the contract specification.

**Step 2: Review of Good Faith Effort Documentation**

Classification	Question	YES	NO	Type of Document	Officer Comments
<b>Outreach/ Notification</b>	Did the bidder/proposer attend the City’s Pre-Bid Meeting? (Is this a requirement?)			City Sign in Sheet	
	Were any M/WBE or DBE firms in attendance at the pre-bid meeting?			Review sign in sheet to determine if any M/WBE or DBE firms were in	

				attendance	
	Did the bidder/proposer host a project specific outreach event? What type of outreach activities were conducted in the recruitment of MBE/WBE or DBE firms?			<ul style="list-style-type: none"> <li>Place event held Date event was held</li> <li>How was the event advertised (provide copy of advertisement)</li> </ul>	
	Did the bidder/proposer place any type of advertisement (Request to Bid) in the media, trade association publication for the recruitment of MBEs/WBEs or DBEs?			Copy of Advertisement (Date should be provided and reviewed)	
	Was an Assist Agency contacted?			Copy of Email or Letter sent to the Assist Agency, Copy of Response received from Assist Agency and efforts taken by the Assist Agency in the recruitment of MBEs/WBEs or DBEs.	
	Did the bidder/proposer provide evidence of invitations to bid that were sent directly to MBE/WBE or DBE firms? Were they sent in a timely manner? What type of work was identified by the bidder/proposer for M/WBEs or DBEs to participate on? Was information regarding the City project provided to the M/WBEs or DBEs? Did the bidder/proposer			<p>Copy of Invitation to Bid that was sent to each M/WBE or DBE firm</p> <p>The following information should be listed in the invitation to bid:</p> <ul style="list-style-type: none"> <li>Date invitation was sent out</li> <li>Name of City project</li> <li>Listing of bid opportunities</li> <li>Identify</li> </ul>	

	<p>give M/WBEs or DBEs an opportunity to review plans, drawings and specifications?</p>			<p>location/times when plans/drawing s/spec' s were available for viewing</p> <ul style="list-style-type: none"> <li>• Contact Information of bidder/proposer (PRIME)</li> </ul> <p>Bid due date from M//WBE or DBE firm</p>	
	<p>Was an Assist Agency contacted?</p>			<p>Copy of Email or Letter sent to the Assist Agency, Copy of Response received from Assist Agency and efforts taken by the Assist Agency in the recruitment of MBEs/WBEs or DBEs.</p>	
	<p>Did the bidder/proposer provide evidence of invitations to bid that were sent directly to MBE/WBE or DBE firms? Were they sent in a timely manner? What type of work was identified by the bidder/proposer for M/WBEs or DBEs to participate on? Was information regarding the City project provided to the M/WBEs or DBEs? Did the bidder/proposer give M/WBEs or DBEs an opportunity to review plans, drawings and specifications?</p>			<p>Copy of Invitation to Bid that was sent to each M/WBE or DBE firm</p> <p>The following information should be listed in the invitation to bid:</p> <ul style="list-style-type: none"> <li>• Date invitation was sent out</li> <li>• Name of City project</li> <li>• Listing of bid opportunities</li> <li>• Identify location/times when plans/drawing s/spec' s were available for viewing</li> <li>• Contact Information of</li> </ul>	

				bidder/proposer (PRIME) Bid due date from M//WBE or DBE firm	
<b>Identification of Opportunities</b>	Did the bidder/proposer identify the type of work opportunities available to MBEs/WBEs or DBEs?			<ul style="list-style-type: none"> <li>• Call Sheets</li> <li>• Schedule C's</li> <li>Schedule D's</li> </ul>	
	Were partial pay items considered for MBE and WBE participation?			<ul style="list-style-type: none"> <li>• Call Sheets</li> <li>• Schedule C's</li> <li>Schedule D's</li> </ul>	
<b>Negotiations</b>	Did the bidder/proposer provide supporting documents regarding MBEs/WBEs or DBEs?			A detailed list of firms contact listing the following: Company Name Company Address Phone Number Name of Person contacted Phone Number Type of Work Nature of Solicitation	
	Did the bidder/proposer submit copies of bid responses or proposals received from M/WBEs or DBEs?			<ul style="list-style-type: none"> <li>• Schedule F</li> <li>Copies of actual proposals needed</li> </ul>	

	<p>Did the bidder/propose provide evidence of the outcome from negotiating with potential M/WBEs or DBEs</p>			<p>Schedule C's</p>	
	<p>Did the bidder/proposer give an explanation and/or proof of why MBEs/WBEs or DBEs were not considered?</p>			<ul style="list-style-type: none"> <li>• Bidder/Proposer should provide a detailed explanation and define the reasons for rejection. They must document why the M/W or DBE was deemed unqualified. Were steps taken to verify the capabilities of the M/WBE or DBE firm?</li> <li>• Provide the names of the companies (non- m/w or DBE) that would be performing the work originally set aside for M/W's or DBEs (quotes from both M/W or DBE and Non certified firms should be provided)</li> </ul>	

	<p>Did the bidder/proposer give an explanation and/or proof of why MBEs/WBEs or DBEs were not considered?</p>			<ul style="list-style-type: none"> <li>• Bidder/Proposer should provide a detailed explanation and define the reasons for rejection. They must document why the M/W or DBE was deemed unqualified. Were steps taken to verify the capabilities of the M/WBE or DBE firm?</li> <li>• Provide the names of the companies (non- m/w or DBE) that would be performing the work originally set aside for M/W's or DBEs (quotes from both M/W or DBE and Non certified firms should be provided)</li> </ul>	
<p><b>Providing Assistance</b></p>	<p>When appropriate the compliance officer should consider whether the bidder/proposer:</p> <ol style="list-style-type: none"> <li>a. Made reasonable efforts to assist interested MBE/WBE or DBE firms in obtaining bonding, lines of</li> </ol>			<ul style="list-style-type: none"> <li>• •A statement from the bidder/proposer identifying the bonding company, insurance company, name of suppliers or equipment</li> </ul>	

	credit or insurance required per the specification; and b. Made reasonable efforts to assist interested MBEs/WBEs or DBEs in obtaining necessary equipment, supplies, materials, or related assistance or services			rental companies the M/WBE or DBE firm was referred to.	
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Note: All quantified items are minimums and exceeding these minimums is encouraged.

**Step 3: Prepare Findings and Recommendation**

Prepare a summary outlining the documentation that was submitted. In determining whether a bidder/proposer has made good faith efforts, you should take into account the performance of other bidders as well as the bidder's past performance. For example, when the apparent low bidder fails to meet the contract goals, but the other bidders meet it. Conducting a line item analysis; comparing the same subcontracting opportunities across all bidders. If GFE's were not met, identify reason(s) for rejection the bid (check with your legal department) and outline the steps for the bidder/proposer to submit a response to the rejection letter and identify a reconsideration officer to review such response.

## ARTICLE VIII. VENDOR LIST

### A. Characteristics of CHA Vendor List

The CHA shall maintain a master list of all vendors who are currently satisfactorily providing CHA goods or services (Preferred List) and a separate list of vendors who have had problems during contract administration (Watch List). **CHA User departments are required to provide their P-Team with evaluations of current contractors at the inception of a contract, the midpoint of a contract, and at the end of a contract term or at any time an underlying contract is going to be modified. The CHA Buyer shall report the evaluation to the Contracting Officer who will place the vendor on the watch list or the Preferred Vendor List.**

Vendors on the CHA Watch List will not be precluded from further contracting opportunities with the CHA but will require correction of any existing contract administration issues prior to award of any subsequent contract. Vendors on a debarred list maintained by either the Office of Management and Budget or HUD are de facto precluded from entering into contract with the CHA.

### B. CHA Preferred Vendor List

The CHA Preferred Vendor List shall be converted from many separate lists to one unified list with major subcategories of service and product type. A vendor's presence on the list does not guarantee a minimum level of work. A vendor on the CHA's Preferred Vendor List may only anticipate being contacted about possible contracting opportunities for areas the firm is qualified in. A vendor may request to be added or removed from certain areas, but the Contracting Officer shall have the final decision about where and whether a vendor may maintain a presence on CHA's Preferred Vendor List. To request to be added to CHA's Preferred Vendor List, a vendor need only make the specific request and detail what areas of work the vendor is qualified to perform or what goods may be provided. During Formal Bidding once a solicitation document is finalized and the CHA intends to advertise for bids, or proposals, the Buyer will make sure vendors on the preferred list are contacted.

### C. CHA Watch List

Vendors who are currently or have in the past provided unsatisfactory performance while under contract to the CHA or one of the CHA's Sister Agencies, may be placed by the Contracting Officer on CHA's Watch List. A vendor whose name appears on CHA's watch list may still submit a bid or proposal, however, the CHA Contracting Officer, prior to any award to that vendor shall conduct a thorough investigation of the watch list vendor's responsibility to perform according to their bid or proposal. If the performance on the contract was or is currently sufficiently egregious, the Contracting Officer may decline to award a contract to the watch list vendor for his status and prior or current performance alone.

### D. Debarred List

Any Vendor who appears on any debarred list maintained by the Office of Management and Budget, HUD or any federal, state or city equivalent whose criteria is grounded in insufficient performance, bad management or any other indicia that casts doubt on a vendor's ability or willingness to perform according to their bid or proposal, is precluded from entering into a contract with the CHA.



## ARTICLE IX. TASK ORDER CONTRACTING

### A. When Task Order Contracts are Used

Task Order Contracts are synonymous with some form of indefinite quantity contract. Whenever an exact quantity of product or service is not determinable at the time of contract formation, and the contract contemplates the ordering of some additional quantities, then the additional orders are treated as task orders.

### B. Administration of a Task Order Contract

A task order contract is awarded in the same way as a fixed price/fixed quantity contract, fulfilling the same procurement requirements that are articulated within CHA and HUD's rules and regulations. The following Task Order procedures are only intended to augment and do not replace prior requirements for procurement and contract formation:

1. The P-Team has otherwise successfully conducted a procurement and has obtained the requisite approvals from the Contracting Officer, the Board and HUD.
2. The User department representative to the P-Team prepares a Requisition and a Purchase Order is created therefrom. The Requisition should indicate the Not-to- Exceed amount of the contract and the first amount of the first task order.
3. During the contract administration phase of the contract, as the User department identifies work to be performed under contract, a separate requisition is submitted to the procurement department Buyer with all the required signatures. The User department may seek a cost proposal from one or several vendors under contract who could perform the work prior to submitting a requisition and in that event, the User department shall include:
  - a. The proposal from the recommended vendor under contract;
  - b. A brief written description of how many vendors were approached;
  - c. What vendors were eligible to do the work and the rationale for not obtaining a cost proposal from some eligible and under contract vendors.
4. Every Purchase Order for additional work, that is duly authorized by the CHA Contracting Officer, and is tendered to an eligible contracted vendor, shall be treated as a notice to proceed.

## ARTICLE X. INSURANCE GUIDELINES

A. Role of Risk Management

The risk management department is not currently a member representative of the P- Team but must be consulted by the P-Team regarding every procurement. The DPC Buyers currently have guidelines about what forms of insurance and at what levels are required. However, the guidelines, which are attached to this procurement procedures manual as an exhibit, are not a substitute for obtaining Risk Management's approval of the insurance requirements that must be included in every solicitation.

B. Timing of Risk Management Review

Prior to advertising a formal solicitation or contacting any vendor in a small purchase procedure, the Buyer shall seek and obtain the Risk Management's approval of the forms of insurance and the levels of that insurance that the CHA will require a vendor to maintain throughout the contract term.

C. Certificates of Insurance

A pre-requisite of execution of any contract by the Contracting Officer, is the receipt of a Risk Management approved certificate of insurance (Accord Form). The Accord form must reflect the insurance requirements previously articulated by the CHA as to types and levels. After the contract is executed by all parties, vendors will be required to maintain their assurance at the prescribed levels throughout the contract's term. Vendors will be required to notify the CHA about any change in insurance and update their accord forms accordingly. The certificates will be tendered originally to the Department of Procurement and Contracts and any further updates must be addressed with the Risk Management Department directly. The Risk Management Department will notify the Department of Procurement and Contract about any changed insurance with a copy of an updated Accord form that must be maintained within the Contract file.

## ARTICLE XI. PURCHASE REQUISITION AND PURCHASE ORDER PROCEDURES

- A. Purchase Requisitions – Under Simplified Acquisition Threshold  
To initiate any procurement activity, the User department must have a completed purchase requisition. Purchase requisitions for procurements below the Simplified Acquisition Threshold (currently, \$150,000) must minimally contain the following:
1. A short description of the item(s) sought to be purchased.
  2. The source of funds.
  3. Requisite signatures of personnel authorized to sign requisitions.
  4. Budget approval in the form of an authorized signature.
- B. Purchase Requisition – Over the Simplified Acquisition Threshold  
Purchase requisitions that exceed the Simplified Acquisition Threshold (currently, \$150,000) or that modify existing Purchase Orders to exceed the Simplified Acquisition Threshold must minimally contain the following:
1. A short description of the item(s) sought to be purchased.
  2. The source of funds.
  3. Requisite signatures of personnel authorized to sign requisitions
  4. Budget approval in the form of a Funds Available Stamp.
- C. Vendor ID Number  
All vendors providing goods and/or services who intend to invoice the CHA must be assigned an original Vendor ID number. Once a vendor is entered into the CHA's computer system that Vendor ID shall be used in future awards of work that would otherwise also require a unique Vendor ID number.
- D. Purchase Orders – Under the Simplified Acquisition Threshold  
Purchase Orders are prepared by the Buyers of the P-Team in response to a completed purchase requisition approved by the Budget department and having obtained three quotes. The purchase order will specify the following:
1. A short description of the item(s) being purchased
  2. The source of the funds.
  3. The signature of the Contracting Officer
- After the Purchase Order has been signed by the Contracting Officer, the Buyer maintains a copy of the Purchase Order in the procurement/file and routes another copy to accounts payable and an original to the selected contractor.
- E. Purchase Orders – Over the Simplified Acquisition Threshold  
The Purchase Order that is over the Simplified Acquisition Threshold must be prepared after Board approval and HUD approval if necessary. The Purchase Order in this situation is treated similarly as in the preceding section, except that the Purchase Order itself is not sent to the contractor, it

is instead replaced by a formal contract document prepared by the Legal department or by the terms of a sealed bid.

## ARTICLE XII. CANCELLATION OF FORMAL PROCUREMENTS

### A. General Notice to Prospective Contractors

The Contracting Officer has broad discretion to cancel a solicitation, if in the best interests of the CHA to do so, at any point prior to notification of award. When the solicitation is being prepared, the Buyer should include language that clearly indicates that the CHA reserves the right to reject any and all proposals and to secure goods and services via non-competitive means.

### B. Contracting Officer

Although the Contracting Officer has broad discretion to cancel a solicitation, if in the best interest of the CHA, prior to notice of contract award, he/she should avoid repeated cancellations of the same or similar solicitation. Once a solicitation has been advertised, the Contracting Officer should conduct the solicitation and award a contract, unless he/she determines it against the best interest of the CHA to proceed to award. Examples of situations wherein cancellation of a solicitation might not be in the CHA's best interest and be therefore cancelled include, but are not limited to:

1. Inadequate competition
2. Unsatisfactory pricing
3. Insufficiency of funds
4. Unfavorable terms of service
5. Changed needs of the CHA during the solicitation.

### C. Particular Notice to Prospective Contractors

Once the Contracting Officer has decided it to be in the best interests of the CHA to cancel a solicitation, the Contracting Officer shall document the file as to why it was in the best interests to do so and the Buyer shall notify all prospective Buyers who had previously received a copy of the solicitation.

## ARTICLE XIII. BID PROTESTS

### A. Bid Protest Procedures

The CHA Board of Commissioners has previously adopted a resolution formalizing the protest procedures. The protest procedures are included in an appendix that is attached hereto.