



Procurement Policy

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1. INTRODUCTION

- 1.1. General. Established for the Housing Authority of the City of Seattle (“SHA” or “Agency”) by Action of the SHA Board of Commissioners (“Board”) on November 20, 2023, this Procurement Policy (“Policy”) complies with the Annual Contributions Contract (“ACC”) between SHA and the United States Department of Housing and Urban Development (HUD), Federal Regulations at 2 CFR §200.317 *et seq.*, and applicable State and Local laws.
- 1.2. Self-Certification of Policy to HUD. The certification of compliance in Section 1.1 above is intended to constitute a self-certification of compliance in accordance with 2 CFR 200.325(c)(2). The Board further authorizes the Executive Director of SHA to submit this Policy to HUD or to self-certify this Policy to HUD at any time or upon HUD’s request.

2. GENERAL PROVISIONS

2.1. General. SHA shall:

- 2.1.1. Provide for a procurement system of quality and integrity;
- 2.1.2. Provide for the fair and equitable treatment of all persons and firms involved in purchasing by SHA;
- 2.1.3. Ensure that supplies and services (including construction) are procured efficiently, effectively, and at the most favorable and valuable prices available to SHA;
- 2.1.4. Promote competition in contracting; and
- 2.1.5. Assure that SHA purchasing actions are in full compliance with applicable Federal standards, HUD regulations, State, and local laws.

- 2.2. Application. This Policy applies to all procurement actions of SHA, regardless of the source of funds, except as noted under “exclusions” below. However, nothing in this Policy prevents SHA from complying with the terms and conditions of any grant, contract, gift or bequest that is otherwise consistent with the law. When both HUD and non-Federal grant funds are used for a project, the work to be accomplished with the funds should be separately identified prior to procurement so that appropriate requirements can be applied, if necessary. If it is not possible

or practical to separate the funds, HUD procurement regulations shall be applied to the total project. If funds and work can be separated and work can be completed by a new contract, then regulations applicable to the source of funding may be followed.

2.3. Definitions.

2.3.1. “A/E” or “A/E Services” means professional services rendered by any person, other than as an employee of SHA, contracting to perform activities within the scope of the general definition of professional practice in chapters 18.08, 18.43, or 18.96 RCW.

2.3.2. “Contracting Officer” means the Executive Director or the person(s) designated in writing by the Executive Director to administer this Policy or portions thereof, develop procedures to effectuate this Policy or portions of this Policy, or the authority to contract and act as the authorized agent of SHA in all dealings with Contractors.

2.3.3. “Contractor” means the person or entity entering into the contract with SHA to perform the services or provide the goods required under the contract documents.

2.3.4. “Micro Purchase Threshold” means the federal Micro Purchase Threshold, which is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1. The federal Micro Purchase threshold is periodically adjusted for inflation. All such adjustments are applicable to this Policy as soon as the adjustment takes effect, without need of an amendment to this Policy to effectuate the same.

2.3.5. “Procurement” means and includes the procuring, purchasing, leasing, or renting of: (1) goods, supplies, equipment, and materials, (2) construction and maintenance; consultant services, (3) A/E Services, (4) social services, and (5) other services.

2.3.6. “Simplified Acquisition Threshold” means the federal Simplified Acquisition Threshold, which is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1. The federal Simplified Acquisition Threshold is periodically adjusted for inflation. All such adjustments are applicable to this Policy as soon as the adjustment takes effect, without need of an amendment to this Policy to effectuate the same

2.4. Exclusions. This policy does not govern administrative fees earned under the Section 8 voucher program (now referred to as the Housing Choice Voucher Program [HCV]), the award of vouchers under the HCV Program, the execution

of landlord Housing Assistance Payments contracts under that program, or nonprogram income, e.g., fee-for-service revenue under 24 CFR §990. These excluded areas are subject to applicable State and local requirements.

2.4.1. *Exclusions from this policy:* The following are not governed by this Policy:

2.4.1.1. Real Estate Purchase, Sale, and Lease Transactions. (Surveys, appraisals, environmental site assessments, and financing analyses are considered consultant services and are governed by this Policy);

2.4.1.2. Loan transactions and documents;

2.4.1.3. Sub-recipient or sub-grantee agreements and related change orders;

2.4.1.4. Employment contracts;

2.4.1.5. Award of housing vouchers to non-profit agencies (awards must nonetheless comply with applicable laws and regulations);

2.4.1.6. Housing Assistance Payment contracts (HAP contracts and awards of HAP contracts must nonetheless comply with applicable laws and regulations).

2.5. Changes in Laws and Regulations. In the event an applicable law or regulation is modified or eliminated, or a new law or regulation is adopted, the revised law or regulation, to the extent inconsistent with this Policy, automatically supersedes this Policy.

2.6. Public Access to Procurement Information. Most procurement information that is not proprietary is a matter of public record and is available to the public to the extent provided under applicable law.

2.7. Non-Federal Funding. Projects funded solely with non-federal funds must follow these procurement policies whenever possible. For non-federally funded projects, to the extent allowable under applicable State and local law, SHA reserves the right to waive certain policies in cases where it is deemed necessary or appropriate to meet critical milestones or deadlines and when in the best interest of SHA and its mission.

2.8. Amendment. This Policy may only be amended through resolution and approval by the Board.

3. ETHICS IN PUBLIC CONTRACTING

- 3.1. General. SHA establishes this code of conduct regarding procurement issues and actions and shall implement a system of sanctions for violations. This code of conduct is consistent with applicable Federal, State, and local law.
- 3.2. Conflicts of Interest. No employee, officer, Board member, agent, or appointee to any decision-making body of SHA is entitled to participate directly or indirectly in the selection, award, or administration of any contract if a conflict of interest, either real or apparent, would be involved. This type of conflict would be when one of the persons listed below has a financial interest, personal involvement, or any other type of interest in a firm competing for the award:
- 3.2.1. An employee, officer, Board member, agent, or appointee to any decision-making body of SHA involved in making the award;
- 3.2.2. His/her relative (including father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother, or half-sister);
- 3.2.3. His/her partner; or
- 3.2.4. An organization which employs or is negotiating to employ, or has an arrangement concerning prospective employment of any of the above.
- 3.3. Gratuities, Kickbacks, and Use of Confidential Information. No officer, employee, Board member, agent, or appointee to any decision-making body of SHA is entitled to ask for or accept gratuities, favors, or items of more than nominal value (e.g. any gratuities, favors, or items that, in aggregate, have a monetary value in excess of \$50) from any contractor, potential contractor, or party to any subcontract. No officer, employee, Board member, agent, or appointee to any decision-making body of SHA is entitled to knowingly use confidential information for actual or anticipated personal gain.
- 3.4. Prohibition against Contingent Fees. Contractors wanting to do business with SHA must not hire a person to solicit or secure a contract for a commission, percentage, brokerage, or contingent fee, except for bona fide established commercial selling agencies.

3.5. Contracting with Former Agency Employees. For contracts that are subject to the requirements of the ACC, the following restrictions apply, unless waived by HUD:

3.5.1. Neither SHA nor any of its contractors or their subcontracts may enter into any contract, subcontract, or arrangement in which any of the following classes or people has an interest, direct or indirect, during his or her tenure or for one year thereafter:

3.5.1.1. Any present or former employee or officer of the governing body of SHA, or any member of the officer's immediate family. There is excepted from this prohibition any present or former tenant commissioner who does not serve on the governing body of a resident corporation, and who otherwise does not occupy a policymaking position with the resident corporation, SHA or a business entity;

3.5.1.2. Any employee of SHA who formulates policy or who influences decisions with respect to the project(s), or any member of the employee's immediate family, or the employee's partner;

3.5.1.3. Any public official, member of the local governing body, or State or local legislator, or any member of such individuals' immediate family, who exercises functions or responsibilities with respect to the project or SHA.

3.5.2. For purposes of this section, "immediate family member" means the spouse, mother, father, brother, sister, or child of a covered class member (whether related as a full blood relative, or as a "half" or "step" relative, e.g., a half-brother or stepchild).

4. PROCUREMENT PLANNING

4.1. General. Planning is essential to managing the procurement function properly. Hence, SHA shall periodically review its record of prior purchases, as well as future needs, to:

4.1.1. Find patterns of procurement actions that could be performed more efficiently or economically;

4.1.2. Maximize competition and competitive pricing among contracts and decrease SHA's procurement costs;

- 4.1.3. Reduce Agency administrative costs;
- 4.1.4. Ensure that supplies and services are obtained without any need for re-procurement (i.e., resolving bid protests); and
- 4.1.5. Minimize errors that occur when there is inadequate lead time.

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

5. PROCUREMENT METHODS

- 5.1. Petty Cash Purchases. Purchases under \$250 may be handled through the use of a petty cash account. Petty Cash Accounts may be established in an amount sufficient to cover small purchases made during a reasonable period, e.g., one month. For all Petty Cash Accounts, SHA shall ensure that security is maintained and only authorized individuals have access to the account. These accounts shall be reconciled and replenished periodically.
- 5.2. Small Purchase Procedures. For any amounts above the Petty Cash ceiling, but not exceeding the Simplified Acquisition Threshold, SHA is entitled to use small purchase procedures. Under small purchase procedures, SHA shall obtain a reasonable number of quotes; however, for purchases not exceeding the Micro Purchase Threshold, also known as Micro Purchases, only one quote is required provided the quote is considered reasonable. To the greatest extent feasible, and to promote competition, small purchases should be distributed among qualified sources. Quotations for Small Purchases (QSP), or quotes, may be obtained orally (either in person or by phone), by e-mail, in writing, or through e-procurement. Award shall be made to the responsive and responsible vendor that submits the lowest cost to SHA. If award is to be made for reasons other than lowest price, documentation substantiating selection for reasons other than lowest price must be provided in the contract file. Procurements must not be split in order to avoid various dollar thresholds related to the solicitation and selection process (i.e., SHA shall not break down or unbundle requirements aggregating more than the Simplified Acquisition Threshold (or the Micro Purchase Threshold) into several purchases that are less than the applicable threshold merely to: (1) permit use of the small purchase procedures or (2) avoid any requirements that applies to purchases that exceed the Micro Purchase Threshold).

5.3. Sealed Bids. Sealed bidding, also known as Invitation for Bids (IFB) or Invitation to Bid (ITB), shall be used for all contracts that exceed the Simplified Acquisition Threshold and that are not competitive proposals or non-competitive proposals. Under sealed bids, SHA publicly solicits bids and awards a firm fixed-price contract (lump sum or unit price) to the responsive and responsible bidder whose bid, conforming with all the material terms and conditions of the IFB, is the lowest in price. Sealed bidding is the preferred method for procuring construction contracts that are expected to exceed the Simplified Acquisition Threshold.

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

5.3.2. *Solicitation and Receipt of Bids*. An IFB is issued which includes the specifications and all contractual terms and conditions applicable to the procurement, and a statement that award will be made to the lowest responsible and responsive bidder whose bid meets the requirements of the solicitation. The IFB must state the time and place for both receiving the bids and the public bid opening. All bids received will be secured and opened no sooner than the date and time advertised for bid opening.

5.3.3. *Bid Opening and Award*. Bids must be opened publicly. All bids received must be recorded on an abstract (tabulation) of bids, which will then be made available for public inspection. If equal low bids are received from responsible bidders, selection will be made by drawing lots or other similar random method, unless otherwise provided by law or stated in the IFB. If only one responsive bid is received from a responsible bidder, award shall not be made unless the price can be determined to be reasonable, based on a cost analysis.

5.3.4. *Mistakes in Bids*. Unless otherwise provided by applicable law, correction or withdrawal of bids is permitted, where appropriate, before bid opening by written notice – via letter or email or facsimile – received in the office designated in the IFB prior to the time set for bid opening. Unless otherwise provided by applicable law, after bid opening, corrections in bids is permitted only if the bidder can show by clear and convincing evidence (i) that a mistake of a nonjudgmental character was made, (ii) the nature of the mistake, and (iii) the bid price actually intended. A low bidder alleging a nonjudgmental mistake is permitted to withdraw its bid if the mistake is clearly evident on the

face of the bid document but the intended bid is unclear or the bidder submits convincing evidence that a mistake was made. All decisions to allow correction or withdrawal of a bid must be supported by a written determination signed by the Contracting Officer. After bid opening, changes in bid prices or other provisions of bids prejudicial to the interest of SHA or fair competition are not permitted.

5.4. Competitive Proposals. Unlike sealed bidding, the competitive proposal method, also known as Request for Proposals (RFP), permits: consideration of technical factors other than price; discussion with offerors concerning offers submitted; negotiation of contract price or estimated cost and other contract terms and conditions; revision of proposals before the final contractor selection; and the withdrawal of an offer at any time up until the point of award. Award is made to the proposal that is the most advantageous to SHA, considering price and other factors, e.g., technical expertise, past experience, quality of proposed staffing, etc.

5.4.1. *Conditions for Use*. Competitive proposals should generally be used only when conditions are not appropriate for the use of sealed bidding. Competitive proposals are the preferred method for procuring professional services that will exceed the Simplified Acquisition Threshold.

5.4.2. *Form of Solicitation*. Other than A/E services, developer-related services and energy performance contracting, competitive proposals shall be solicited through the issuance of an RFP. The RFP shall clearly identify the importance and relative value of each of the evaluation factors as well as any subfactors and price. A mechanism for fairly and thoroughly evaluating the technical and price proposals shall be established before the solicitation is issued. Proposals shall be handled so as to prevent disclosure of the number of offerors, identity of the offerors, and the contents of their proposals until after award. SHA may assign price a specific weight in the evaluation factors or SHA may consider price in conjunction with technical factors; in either case, the method for evaluating price shall be established in the RFP.

5.4.3. *Evaluation*. The proposals shall be evaluated only on the factors stated in the RFP. Generally, all RFPs shall be evaluated by an appropriately appointed evaluation committee. The members of the evaluation committee shall be required to disclose any potential conflicts of interest and to sign a Non-Disclosure statement. An Evaluation Report, summarizing the results of the evaluation, shall be prepared prior to award of a contract.

5.4.4. *Negotiations*. Negotiations shall be conducted with all offerors who submit a proposal determined to have a reasonable chance of being selected for award, unless it is determined that negotiations are not needed with any of

the offerors. This determination is based on the relative score of the proposals as they are evaluated and rated in accordance with the technical and price factors specified in the RFP. These offerors shall be treated fairly and equally with respect to any opportunity for negotiation and revision of their proposals. No offeror shall be given any information about any other offeror's proposal, and no offeror shall be assisted in bringing its proposal up to the level of any other proposal. A common deadline shall be established for receipt of proposal revisions based on negotiations.

- 5.4.4.1. Negotiations are exchanges (in either competitive or sole source environment) between SHA and offerors that are undertaken with the intent of allowing the offeror to revise its proposal. These negotiations may include bargaining. Bargaining includes persuasion, alteration of assumptions and positions, give-and-take, and may apply to price, schedule, technical requirements, type of contract or other terms of a proposed contract. When negotiations are conducted in a competitive acquisition, they take place after establishment of the competitive range and are called discussions.
- 5.4.4.2. Discussions are tailored to each offeror's proposal, and shall be conducted by the Contracting Officer with each offeror within the competitive range. The primary object of discussions is to maximize SHA's ability to obtain best value, based on the requirements and the evaluation factors set forth in the solicitation. The Contracting Officer shall indicate to, or discuss with, each offeror still being considered for award, significant weaknesses, deficiencies, and other aspects of its proposal (such as technical approach, past performance, and terms and conditions) that could, in the opinion of the Contracting Officer, be altered or explained to enhance materially the proposer's potential for award. The scope and extent of discussions are a matter of the Contracting Officer's judgment. The Contracting Officer may inform an offeror that its price is considered by SHA to be too high, or too low, and reveal the results of the analysis supporting that conclusion. It is also permissible to indicate to all offerors the cost or price that SHA's price analysis, market research, and other reviews have identified as reasonable. "Auctioning" (revealing one offeror's price in an attempt to get another offeror to lower their price) is prohibited.
- 5.4.5. *Award.* After evaluation of the revised proposals, if any, the contract shall be awarded to the responsible firm whose technical approach to the project, qualifications, price and any other factors considered, are most advantageous to SHA provided that the price is within the maximum total project budgeted amount established for the specific property or activity.

5.4.6. *A/E Services*. SHA shall contract for A/E services using Qualifications-based Selection (QBS) procedures, utilizing a Request for Qualifications (RFQ). Sealed bidding or small purchase procedures shall not be used for A/E solicitations. Under QBS procedures, competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. Price is not used as a selection factor under this method. If the parties cannot reach agreement on a fair and reasonable price and other material terms, SHA will terminate negotiations and proceed to engage in negotiations with the next-highest rated respondent based on technical factors, again with intentions to reach agreement on price and other material terms. This process continues until SHA and a responsible respondent reach agreement as to price and other material terms. Once SHA has terminated negotiations with a respondent due to failure to reach agreement as to price and other material terms, the parties are precluded from engaging in further or additional negotiations. QBS procedures shall not be used to purchase other types of services unless the Contracting Officer determines it is in the best interest of SHA to do so and determines it is permissible under applicable law.

5.5. Noncompetitive Proposals.

5.5.1. *Conditions for Use*. Procurement by noncompetitive proposals may be used only when the award of a contract is not feasible using small purchase procedures, sealed bids, cooperative purchasing, or competitive proposals, and if one of the following applies:

5.5.1.1. The item is available only from a single source, based on a good faith review of available sources;

5.5.1.2. An emergency exists that seriously threatens the public health, welfare, or safety, or endangers property, or would otherwise cause serious injury to SHA, as may arise by reason of a flood, earthquake, epidemic, riot, equipment failure, or similar event. In such cases, there must be an immediate and serious need for supplies, services, or construction such that the need cannot be met through any of the other procurement methods, and the emergency procurement shall be limited to those supplies, services, or construction necessary simply to meet the emergency;

5.5.1.3. HUD authorizes the use of noncompetitive proposals; or

5.5.1.4. After solicitation of a number of sources, competition is determined inadequate.

5.5.2. *Justification.* Each procurement based on noncompetitive proposals shall be supported by a written justification for the selection of this method. The justification shall be approved in writing by the responsible Contracting Officer. Poor planning or lack of planning is not justification for emergency or sole-source procurements.

5.5.3. *Price Reasonableness.* The reasonableness of the price for all procurements based on noncompetitive proposals shall be determined by performing a cost analysis, as described in this Policy.

5.6. Cooperative Purchasing/Intergovernmental Agreements. SHA may enter into State and/or local cooperative or intergovernmental agreements for the procurement or use of common or shared goods or services. SHA may use Federal or State excess and surplus property instead of purchasing new equipment and property if feasible and if it will result in a reduction of project costs.

6. INDEPENDENT COST ESTIMATE (ICE)

6.1. General. For all purchases above the Micro Purchase Threshold, SHA shall prepare an ICE prior to solicitation. The level of detail shall be commensurate with the cost and complexity of the item to be purchased.

7. COST AND PRICE ANALYSIS (CPA)

7.1. General. SHA shall require assurance that, before entering into a contract, the price is reasonable, in accordance with the following instructions.

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

7.1.2. *Small Purchases.* A comparison with other offers shall generally be sufficient determination of the reasonableness of price and no further analysis

is required. If a reasonable number of quotes are not obtained to establish reasonableness through price competition, the Contracting Officer shall document price reasonableness through other means, such as prior purchases of this nature, catalog prices, the Contracting Officer's personal knowledge at the time of purchase, comparison to the ICE, or any other reasonable basis.

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

7.1.4. *Competitive Proposals*. The presence of adequate competition should generally be sufficient to establish price reasonableness. Where sufficient proposals are not received, SHA must compare the price with the ICE. For competitive proposals where prices cannot be easily compared among offerors, where there is not adequate competition, or where the price is substantially greater than the ICE, SHA must conduct a cost analysis, consistent with Federal guidelines, to ensure that the price paid is reasonable.

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

8. SOLICITATION AND ADVERTISING

8.1. Method of Solicitation

8.1.1. *Petty Cash and Micro Purchases*. SHA may contact only one source if the price is considered reasonable.

8.1.2. *Small Purchases*. Quotes may be solicited orally, through e-mail, EProcurement, or by any other reasonable method permitted by applicable law.

8.1.3. *Sealed Bids and Competitive Proposals*. Solicitation must be done publicly. SHA is entitled to use any legally permissible solicitation methods, provided that the method employed provides for meaningful competition, including, without limitation, the following:

8.1.3.1. Advertising in newspapers or other print mediums of local or general circulations.

8.1.3.2. Advertising in various trade journals or publications (for construction).

8.1.3.3. E-Procurement. SHA may conduct its public procurements through the Internet using e-procurement systems. However, all e-procurements must otherwise be in compliance with 2 CFR §200.317 *et seq.*, State and local requirements, and SHA's procurement policy.

8.2. Time Frame. For purchases of more than Simplified Acquisition Threshold, the public notice should run not less than once each week for two consecutive weeks.

8.3. Form. Notices/advertisements should state, at a minimum, the place, date, and time that the bids or proposals are due, the solicitation number, a contact that can provide a copy of, and information about, the solicitation, and a brief description of the needed items.

8.4. Time Period for Submission of Bids. A minimum of 30 days shall generally be provided for preparation and submission of sealed bids and 15 days for competitive proposals. However, the Deputy Director of Contracts and Procurement may allow for a shorter period under extraordinary circumstances.

8.5. Cancellation of Solicitations.

8.5.1. Solicitations may be cancelled before bids/offers are due if:

8.5.1.1. The supplies, services or construction is no longer required;

8.5.1.2. SHA can longer reasonably expect to fund the procurement;

8.5.1.3. Proposed amendments to the solicitation are of such magnitude that a new solicitation would be desirable; or

8.5.1.4. Other reasons deemed in the best interest of SHA as determined in its sole discretion.

8.5.2. A solicitation may be cancelled and all bids or proposals that have already been received may be rejected if:

8.5.2.1. The supplies, services, or construction are no longer required;

8.5.2.2. Ambiguous or otherwise inadequate specifications were part of the solicitation;

8.5.2.3. All factors of significance to SHA were not considered;

8.5.2.4. Prices exceed available funds and it would not be appropriate to adjust quantities to come within available funds;

8.5.2.5. There is reason to believe that bids or proposals may not have been independently determined in open competition, may have been collusive, or may have been submitted in bad faith; or

8.5.2.6. For other good cause when deemed in the best interest of SHA as determined in its sole discretion.

8.5.3. The reasons for cancellation shall be documented in the procurement file and the reasons for cancellation or rejection shall be provided upon request to any offeror solicited.

8.5.4. A notice of cancellation shall be sent to all bidders/offerors solicited and, if appropriate, shall explain that they will be given an opportunity to compete on any re-solicitation or future procurement of similar items.

8.5.5. If all otherwise acceptable bids received in response to an IFB are at unreasonable prices, an analysis should be conducted to see if there is a problem in either the specifications or SHA's cost estimate. If both are determined adequate, the Contracting Officer may cancel the solicitation and either:

8.5.5.1. Re-solicit using a new IFB with amendments as warranted; or

8.5.5.2. Re-solicit using the competitive proposal method. The Contracting Officer must determine, in writing, that such action is appropriate, must inform all bidders of SHA's intent to resolicit us the competitive proposal

method, and must give each bidder a reasonable opportunity to submit an offer in response to the new solicitation.

8.5.6. If problems are found with the specifications, SHA should cancel the solicitation, revise the specifications and re-solicit using an IFB.

8.6. Credit (or Purchasing) Cards. Credit card usage must follow the rules for all other small purchases. For example, the Contracting Officer may use a credit card for Micro Purchases without obtaining additional quotes provided the price is considered reasonable. However, for amounts above the Micro Purchase Threshold, the Contracting Officer needs to have obtained a reasonable number of quotes before purchasing via a credit card. When using credit cards, SHA shall adopt reasonable safeguards to assure that they are used only for intended purposes (for instance, limiting the types of purchases or the amount of purchases that are permitted with credit cards).

9. BONDING REQUIREMENTS

9.1. General. Except as noted below, the standards under this section apply to all construction contracts.

9.1.1. *Bid Bonds*. For construction contracts exceeding the Simplified Acquisition Threshold offerors shall be required to submit a bid guarantee from each bidder equivalent to 5% of the bid price.

9.1.2. *Payment and Performance Bonds*.

9.1.2.1. For contracts for work exceeding \$150,000, the successful bidder shall furnish an assurance of completion in the form of a performance and payment bond in a penal sum of 100% of the contract price; or

9.1.2.2. For contracts for work totaling \$150,000 or less, the successful bidder shall either (i) furnish an assurance of completion in the form of a performance and payment bond in a penal sum of 100% of the contract price, or (ii) require SHA to retain ten percent of the contract amount for a period of thirty days after date of final acceptance, or until receipt of all necessary releases from the department of revenue, the employment security department, and the department of labor and industries and settlement of any liens filed under chapter 60.28 RCW, whichever is later.

- 9.1.2.3. For contract utilizing the limited public works roster under RCW 39.04.133, SHA is entitled to waive the requirement for payment and performance bonds.

10. CONTRACTOR QUALIFICATIONS AND DUTIES

10.1. Contractor Responsibility

- 10.1.1. SHA shall not award any contract until the prospective contractor, i.e., low responsive bidder, or successful offeror, has been determined to be responsible. A responsible bidder/offeror must:
- 10.1.1.1. Have adequate financial resources to perform the contract, or the ability to obtain them;
 - 10.1.1.2. Be able to comply with the required or proposed delivery or performance schedule, taking into consideration all of the bidder's/offeror's existing commercial and governmental business commitments;
 - 10.1.1.3. Have a satisfactory performance record;
 - 10.1.1.4. Have a satisfactory record of integrity and business ethics;
 - 10.1.1.5. Have the necessary organization, experience, accounting and operational controls, and technical skills, or the ability to obtain them;
 - 10.1.1.6. Have the necessary production, construction, and technical equipment and facilities, or the ability to obtain them; and,
 - 10.1.1.7. Be otherwise qualified and eligible to receive an award under applicable laws and regulations.
- 10.1.2. The Contracting Officer shall determine whether a bidder/offeror is responsible prior to consideration of contract award in the case of sealed bids and small purchase procurements, and prior to the panel's evaluation of proposals in the case of competitive proposals.

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

10.2. Suspension and Debarment. Contracts shall not be awarded to debarred, suspended, or ineligible contractors or contractors that are utilizing debarred, suspended or ineligible subcontractors. It is the contractor's responsibility to ensure that its subcontractors meet the above responsibility standards prior to contract bid opening. Contractors may be suspended, debarred, or determined to be ineligible by HUD in accordance with HUD regulations (24 CFR 24) or by other Federal agencies, e.g., Department of Labor for violation of labor regulations, when necessary to protect housing authorities in their business dealings.

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

11. CONTRACT PRICING ARRANGEMENTS

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

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

11.2.1. The option is contained in the solicitation;

11.2.2. The option is a unilateral right of SHA;

11.2.3. The contract states a limit on the additional quantities and the overall term of the contract;

- 11.2.4. The options are evaluated as part of the initial competition;
- 11.2.5. The contract states the period within which the options may be exercised;
- 11.2.6. The options may be exercised only at the price specified in or reasonably determinable from the contract; and
- 11.2.7. The options may be exercised only if determined to be more advantageous to SHA than conducting a new procurement.

12. CONTRACT CLAUSES

- 12.1. Contract Pricing Arrangements. All contracts shall identify the contract pricing arrangement as well as other pertinent terms and conditions, as determined by SHA.
- 12.2. Required Contract Clauses: SHA shall ensure that each contract executed by SHA contains any clauses required by applicable law, including, with respect to federally funded contracts, the contract clauses detailed within 2 CFR §200.

13. CONTRACT ADMINISTRATION

- 13.1. General. SHA shall maintain a system of contract administration designed to ensure that Contractors perform in accordance with their contracts. These systems shall provide for inspection of supplies, services, or construction, as well as monitoring contractor performance, status reporting on major projects including construction contracts, and similar matters. For cost reimbursement contracts, costs are allowable only to the extent that they are consistent with the cost principles in FAR Subpart 31.2.

14. SPECIFICATIONS

- 14.1. General. All specifications shall be drafted so as to promote overall economy for the purpose intended and to encourage competition in satisfying

SHA's needs. Specifications shall be reviewed prior to issuing any solicitation to ensure that they are not unduly restrictive or represent unnecessary or duplicative items. Function or performance specifications are preferred. Detailed product specifications shall be avoided whenever possible. Consideration shall be given to consolidating or breaking out procurements to obtain a more economical purchase. For equipment purchases, a lease versus purchase analysis should be performed to determine the most economical form of procurement.

14.2. Limitation. The following types of specifications shall be avoided:

14.2.1. Geographic restrictions not mandated or encouraged by applicable Federal law (except for A/E contracts, which may include geographic location as a selection factor if adequate competition is available);

14.2.2. Unnecessary bonding or experience requirements;

14.2.3. Brand name specifications (unless the specifications list the minimum essential characteristics and standards to which the item must conform to satisfy its intended use). Nothing in this procurement policy shall preempt any State licensing laws. Specifications shall be reviewed to ensure that organizational conflicts of interest do not occur.

15. APPEALS AND REMEDIES

15.1. General. It is Agency policy to resolve all contractual issues informally and without litigation. Disputes will not be referred to HUD unless all administrative remedies have been exhausted. When appropriate, a mediator may be used to help resolve differences.

15.2. Protests. Protests of contract solicitations and awards are permissible but must strictly comply with SHA's Procedures for Disputes, Protests, and Appeals, as such procedures may be amended from time to time.

16. ASSISTANCE TO SMALL AND OTHER BUSINESSES

16.1. Required Efforts. Consistent with Presidential Executive Orders 11625, 12138, and 12432, and Section 3 of the Housing and Urban Development Act of

1968, SHA shall take all necessary affirmative steps to ensure that small and minority-owned businesses, women’s business enterprises, and other individuals or firms located in or owned in substantial part by persons residing in the area of SHA’s public housing developments are used when possible. Such efforts shall include, but shall not be limited to:

- 16.1.1. Including such firms, when qualified, on solicitation mailing lists;
 - 16.1.2. Encouraging their participation through direct solicitation of bids or proposals whenever they are potential sources;
 - 16.1.3. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by such firms;
 - 16.1.4. Establishing delivery schedules, where the requirement permits, which encourage participation by such firms;
 - 16.1.5. Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce;
 - 16.1.6. Including in all contracts funded with federal funds, all provisions and attachments required by Section 3 of the Housing and Urban Development Act of 1968, as amended; and
 - 16.1.7. Requiring prime contractors, when subcontracting is anticipated, to take the positive steps listed above.
- 16.2. SHA is entitled to periodically establish goals for participation by small businesses, minority-owned businesses, women-owned business enterprises, labor surplus area businesses, and Section 3 business concerns in Agency prime contracts and subcontracting opportunities.

17. DELEGATION OF CONTRACTING AUTHORITY

- 17.1. Delegation. Except as may be prohibited by applicable law, the Board appoints and delegates all procurement authority to the Executive Director, and the Executive Director is responsible for ensuring that any procurement policies and procedures adopted in accordance with this Policy are appropriate for SHA. While the Executive Director is responsible for ensuring that SHA’s procurements

comply with this Policy, the Executive Director is entitled to delegate in writing all procurement authority as is necessary and appropriate to conduct the business of SHA.

- 17.2. Procedures. Further, and in accordance with this delegation of authority, the Executive Director shall, where necessary, establish operational procedures to implement this Policy.

18. DOCUMENTATION

- 18.1. Required Records. SHA must maintain records sufficient to detail the significant history of each procurement action. These records shall include, but shall not necessarily be limited to, the following:

18.1.1. Rationale for the method of procurement (if not self-evident);

18.1.2. Rationale of contract pricing arrangement (also if not self-evident);

18.1.3. Reason for accepting or rejecting the bids or offers;

18.1.4. Basis for the contract price;

18.1.5. A copy of the contract documents awarded or issued and signed by the Contracting Officer;

18.1.6. Basis for contract modifications; and

18.1.7. Related contract administration actions.

- 18.2. Level of Documentation. The level of documentation should be commensurate with the value of the procurement.

- 18.3. Record Retention. Records are to be retained for a period of three years after final payment and all matters pertaining to the contact are closed, or for such longer period as may be required by applicable law.

19. DISPOSITION OF SURPLUS PROPERTY

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

20. FUNDING AVAILABILITY

- 20.1. General. Before initiating any contract, SHA shall ensure that there are sufficient funds available to cover the anticipated cost of the contract or modification.