



# Procurement Procedures

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## SEATTLE HOUSING AUTHORITY

### PROCUREMENT PROCEDURE IMPLEMENTATION AND AMENDMENT

The following outlines the processes for implementing and amending procedures in support of [SHA's Procurement Policy](#) (the "Policy")<sup>1</sup>.

- 1. General.** The Policy authorizes and directs the Executive Director to establish operational procedures to implement the Policy, and empowers the Executive Director to delegate in writing any procurement authority as is necessary and appropriate to conduct the business of SHA. To that end, the Executive Director delegates to each of the Chief Financial Officer and the Deputy Director of Procurement and Contracts the power and authority to implement appropriate procurement procedures that are consistent with the Policy. At least once each calendar year, the Chief Financial Officer shall submit to the Executive Director any new procedures or amendments to existing procedures implemented by the Chief Financial Officer and the Deputy Director of Procurement and Contracts for the Executive Director's review and comment. The Executive Director is entitled to require any changes to procedures and to reject any previously implemented procedures at his/her sole and absolute discretion.
- 2. No Conflict with Policy.** In the event of any conflict between the terms of any procedures implemented in accordance with Section 1 above and the terms of the Policy, the terms of the Policy control.

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<sup>1</sup> The Policy is available on SHA website <https://www.seattlehousing.org/>, on the DO BUSINESS WITH US page, under FORMS AND POLICIES.

## **SEATTLE HOUSING AUTHORITY**

### **AUTHORITY AND APPROVAL PROCESSES**

These procedures for authority and approval are established for the Seattle Housing Authority (“SHA”) in support of SHA’s Procurement Policy and in accordance with applicable laws and regulations.

#### **1. Expenditure Authority**

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## **1. Expenditure Authority**

### **❖ General**

Expenditure Authority refers to the delegation of responsibility to various SHA employees to recommend, commit, and expend SHA financial resources up to a particular dollar limit, for a cost center or business unit over which the employee has jurisdiction and control. Expenditure Authority does not include authority to execute contracts or agreements on behalf of SHA (see Section 3: Contracting Authority), or the authority to sign and approve invoices for payment on previously authorized contracts or Purchase Orders (See Section 1.070 below).

Expenditure Authority includes the following responsibilities:

- To make project and programmatic decisions.
- To recommend entering into a contract, executing a Change Order, or approving a Purchase Requisition.
- To approve for payment expenditures on the Direct Payments list (items not subject to competition).
- To carefully read and review applicable documents for accuracy and appropriateness.
- To coordinate actions with other SHA employees and outside parties as may be appropriate.
- To work with the Budget Office to ensure that adequate funds have been budgeted and are available for the proposed expenditure.
- To conduct a Cost Analysis or Price Analysis demonstrating that the proposed price of a contract or Change Order is reasonable (see Section 5, Ensuring Reasonable Costs, for more information).
- To act diligently in placing a priority on protecting SHA's financial and other interests.
- To comply with SHA's procurement policies and procedures, including requirements related to ethical behavior.

### **❖ Documents Authorized to Sign**

An employee with Expenditure Authority shall have the authority to approve and sign the following, up to the dollar amount authorized to them by the Executive Director:

- a. Purchase Requisitions: Purchase Requisitions must be approved by an employee with Expenditure Authority consistent with the estimated dollar value of the proposed purchase. Approval of a Purchase Requisition may be in the form of a signature on a purchase requisition form or electronically through Enterprise One financial management system.
- b. Recommendations for Approval of Contracts: All proposed contracts must be accompanied by a signed recommendation to the Deputy Director of Procurement and Contracts from an employee with an Expenditure Authority amount consistent with the amount of the contract.
- c. Recommendations for Approval of Change Orders: All proposed Change Orders must be accompanied by a recommendation in writing or electronically to the Deputy Director of Procurement and Contracts from an employee with an Expenditure Authority amount consistent with the amount of the Change Order. Employees shall not deliberately split Change Orders in order to stay within their Expenditure Authority amount.
- d. Recommendations for Release of Solicitations: All solicitations, including both formal RFCPs, RFPs, RFQs, ITBs and other such documents, and informal solicitations for goods or services, must be approved in writing or electronically by the Deputy Director of Procurement and Contracts before such solicitation is advertised or otherwise distributed to contractors, consultants, or vendors, except that informal solicitations of quotes for goods and supplies shall not require the approval of the Deputy Director of Procurement and Contracts. All recommendations to the Deputy Director of Procurement and Contracts for release of any solicitation must either be in writing or electronically through PMWeb or the Enterprise One financial management system, approved by an individual with Expenditure Authority for the estimated cost of the solicitation, or by the applicable Department Director. The Deputy Director of Procurement and Contracts shall review the recommendation and shall, if appropriate, approve the release of the solicitation. The Deputy Director of Procurement and Contracts may, on an exception basis, authorize the release of certain solicitations without his/her prior review. The Executive Director or his/her designee shall develop procedures and/or routing forms as may be appropriate to facilitate these approvals.
- e. Recommendations for Selections and Awards: All recommendations must be in writing for selection of contractors, consultants, vendors, or other service providers subject to the Procurement Policies and be signed by an individual with Expenditure Authority for the estimated or actual award amount. The Deputy Director of Procurement and Contracts shall review the recommendation and, if appropriate, approve the selection or award the contract, except that all recommendations to the Deputy Director of Procurement and Contracts for non-competitive selections and awards must be in writing and signed by the

Department Director or Executive Director (subject to Expenditure Authority limits). (See Section 1.040 (3))

- f. Authorization for Expenditures for Direct Payments: Authorization to pay for items listed on the Direct Payments list must be signed by an employee with Expenditure Authority in an amount consistent with the amount of the proposed payment.
- g. Purchasing Card Payments: In submitting a monthly Purchasing Card statement to the Accounts Payable section for payment, in addition to the approval signature of the Purchasing Card Holder, the statement must also be approved by the employee's supervisor, who is automatically authorized to review and approve expenditures for a subordinate's Purchasing Card.

❖ Executive Director

- a. Responsibilities: The Executive Director shall be responsible for providing oversight and management of all expenditures for the agency.
- b. Expenditure Authority Limit: Only the Executive Director may authorize SHA commitments and expenditures of more than \$50,000.
- c. Delegation to SHA Staff: In order to facilitate efficient procurement activities, the Executive Director is entitled to delegate Expenditure Authority to appropriate SHA staff based on the position responsibilities, duties, and authority of the staff. Upon recommendation of a Department Director, the Executive Director may delegate Expenditure Authority appropriate to the duties and authority of the position, but not to exceed \$50,000. Such delegation shall be in writing with the approval signature of the Executive Director. All changes in Expenditure Authority amounts, whether temporary, if longer than one week, or permanent, must also be approved in writing by the Executive Director. The Board of Commissioners shall be notified in writing of all delegations of Expenditure Authority by the Executive Director on an annual basis.
- d. Purchasing Card Delegation: The Executive Director is authorized to delegate Expenditure Authority to certain employees through the use of an SHA credit card (Purchasing Card). Upon recommendation of a Department Director, the Executive Director may authorize the issuance of a Purchasing Card to employees.

❖ Department Directors

- a. Expenditure Authority Limit: Department Directors may approve financial commitments and authorize expenditures up to \$50,000 without written

concurrence of the Executive Director. Department Directors are expected to exercise prudent care in the financial management of their department, ensuring compliance with the department's annual budget, protecting the financial and other interests of SHA, and ensuring proper coordination with the Executive Director and other Department Directors in authorizing the expenditure of SHA money.

- b. Travel, Training, Temporary Help: All requests and authorizations for actual expenditures for travel, training, or temporary help, must be approved by the Department Director. Requests or authorizations above \$50,000 (the Expenditure Authority limit of Department Directors) must be approved by the Executive Director.
- c. Non-Competitive Selections: Subject to the \$50,000 Expenditure Authority limit, all non-competitive selection recommendations (emergency, sole source, proprietary, single response to a solicitation, etc.) must be approved by the Department Director and the Deputy Director of Procurement and Contracts. Those over \$50,000 must be approved by the Department Director, Executive Director, and Deputy Director of Procurement and Contracts.
- d. Cancellation of Expenditure Authority: A Department Director may cancel the Expenditure Authority granted to an employee in the Director's department without approval from the Executive Director based on a change of job duties, abuse or mismanagement of Expenditure Authority by the employee, or other reasons sufficient for the Department Director. Such cancellation and reasons must be in writing to the Deputy Director of Procurement and Contracts.
- e. Purchasing Card Limits: A Department Director may recommend in writing to the Deputy Director of Procurement and Contracts or Chief Financial Officer a change in an employee's Purchasing Card transaction limits.
- f. Purchasing Card Cancellation: A Department Director may cancel the Purchasing Card of an employee in their department by providing written notice and reasons of such a request to the Deputy Director of Procurement and Contracts.
- g. Authority of Acting Department Director: In the absence of a Department Director, the acting Department Director shall have \$50,000 of Expenditure Authority, subject to the following: The Department Director must, in writing and in advance of such absence, have notified the Executive Director, Controller, and the Deputy Director of Procurement and Contracts of the dates and times of the absence, and the name of the individual who he/she has appointed as acting Department Director. In the event that a Department Director is unable to issue such a notification, the Executive Director or acting Executive Director may authorize up to \$50,000 of Expenditure Authority to an acting Department Director.



❖ Managers, Supervisors, and Staff Delegated Expenditure Authority

- a. Expenditure Authority Limit: Except as otherwise noted in the Policy or these procedures, SHA staff with Expenditure Authority may make recommendations, approve financial commitments, and authorize expenditures up to his/her Expenditure Authority amount approved in writing by the Executive Director, without the signature of his/her supervisor, Department Director, or Executive Director. Staff who have Expenditure Authority are expected to comply fully with the Policy and all applicable procedures and exercise prudent care in the financial management of the budgets for which they are responsible, protecting the financial and other interests of SHA, and ensuring proper coordination with their Department Director and other appropriate personnel within the agency, as appropriate.
- b. Transfer to Another Position: The Expenditure Authority for a manager or supervisor shall be valid only while the employee is in the position for which the Expenditure Authority was originally granted. If the employee transfers to a different position where Expenditure Authority is required, the Executive Director, upon the recommendation of the Department Director, must re-authorize the Expenditure Authority for that employee.
- c. Cancellation of Expenditure Authority: For abuse or mismanagement of Expenditure Authority or other sufficient reasons, the Department Director may cancel an employee's Expenditure Authority by submitting such cancellation notification in writing to the Deputy Director of Procurement and Contracts with an explanation for the reasons thereof.
- d. Acting Managers or Supervisors: In the event that an individual is appointed as an acting manager or supervisor, either during the limited absence of the manager or supervisor or for a longer term assignment, any Expenditure Authority of the permanent manager or supervisor shall not be automatically transferred to the acting manager or supervisor. An acting manager or supervisor requiring Expenditure Authority must be formally delegated with that authority by the Department Director and Executive Director.

❖ Purchasing Card Holders

- a. Expenditure Authority Limit: All Purchasing Card Holders shall automatically be delegated with Expenditure Authority up to at least the amount of their per-transaction limit for use of the Purchasing Card. By separate action, the Executive Director may authorize some Purchasing Card Holders to have a higher Expenditure Authority amount.
- b. Supervisors of Purchasing Card Holders: Supervisors of Purchasing Card Holders who are required to review and sign their approval of an employee's

Purchasing Card statement are authorized to do so even if they have not specifically been delegated with Expenditure Authority. By separate action, a Department Director and the Executive Director may authorize some supervisors of Purchasing Card Holders to have an Expenditure Authority amount through the normal process.

❖ Invoice Payment Authorization

- a. Department Directors Responsibilities: Expenditure Authority does not authorize an employee to approve invoices for payment on a previously authorized contract, Change Order, or Purchase Order. Department Directors are responsible for developing and managing independent internal control procedures and dollar thresholds authorizing specific employees to sign and approve invoices for payment.
- b. Employee Responsibilities: In signing and approving an invoice for payment on a previously authorized contract, Change Order, or Purchase Order, an employee verifies that the work being approved for payment was satisfactorily performed or the goods received, that the amount approved for payment is consistent with the terms of the contract or Purchase Order, that adequate funds remain in the contract or Purchase Order, and authorizes that a check be issued for payment of the invoice amount.

## **2. Internal SHA Review of Contracts**

### **❖ Expenditure Authority Amounts**

Employees with Expenditure Authority amounts less than or equal to the amount of a proposed action are authorized to make recommendations for various procurement-related actions without approval from a manager, supervisor, or Department Director. However, a Department Director may establish internal departmental procedures that require additional reviews and approvals. In making such a recommendation, an employee has a responsibility to ensure that he/she has appropriately coordinated the proposed action with other affected staff and outside agencies, and that he/she has determined there is adequate funding available for the proposed action.

### **❖ Review by Budget Section**

Procurement-related actions or expenditures estimated to cost \$10,000 or more must be routed to the Budget Section in the Finance & Administration Department for review and approval as to budget availability prior to approval by the Deputy Director of Procurement and Contracts.

### **❖ Review by General Counsel**

Department Directors, Project Managers, and the Deputy Director of Procurement and Contracts shall consult with the General Counsel's office whenever procurement-related actions are unique, particularly large, costly, complex, or may have legal, political, or public relations implications.

### 3. Contracting Authority

#### ❖ General

The Executive Director finds that it is in the best interests of SHA to delegate contracting authority to the Deputy Director of Procurement and Contracts in order to ensure quality control and expedite the approval process for procurement-related actions.

#### ❖ Signature Authorization

- a. Deputy Director of Procurement and Contracts Authorization: The Deputy Director of Procurement and Contracts is authorized to sign all procurement-related documents on behalf of SHA upon the recommendation of an employee with Expenditure Authority for the dollar amount of the procurement-related action, and upon approval of the Budget Office as required by the Policy and applicable Procurement Procedures.
- b. Buyer Authorization: Buyers in the Purchasing Division are authorized to issue and sign Purchase Orders on behalf of SHA upon the receipt of a Purchase Requisition approved by the Budget Office.
- c. Back-up Authorization: In the absence of the Deputy Director of Procurement and Contracts, the Chief Financial Officer (or the acting Director of Finance & Administration) shall be authorized to sign the procurement-related documents described in these procedures for authority and approval.
- d. Determination by the Executive Director: If necessary, the Executive Director shall make the final decision whether a particular document is procurement-related or non-procurement related.

#### ❖ Procurement-Related Documents

The following is a non-exclusive list of the procurement-related documents that the Deputy Director of Procurement and Contracts is authorized to sign on behalf of SHA:

- a. Approval to release solicitations
- b. Selection approvals and award notices
- c. Construction contracts
- d. Consultant and professional services contracts
- e. A&E Consultant contracts
- f. Agency Service Agreements
- g. Change Orders
- h. Purchase Requisitions and Purchase Orders

#### ❖ Non-Procurement-Related Documents

The following is a non-exclusive list of the non-procurement-related documents that shall not be signed by the Deputy Director of Procurement and Contracts, but by the Executive Director:

- a. Real estate transactions
- b. Loan documents
- c. Limited partnership agreements
- d. Sub-recipient or sub-grantee agreements and related change orders
- e. Employment contracts
- f. Award of housing or other vouchers to non-profit agencies
- g. Housing Assistance Payment contract

#### **4. Contract Duration**

##### ❖ General Policy

- a. Competition: As a government agency and stewards of the public's money, SHA acknowledges the importance of competition to ensure that it receives the best quality of goods and services at the most competitive prices. SHA also acknowledges the importance of spreading public contracting opportunities to the larger business community.
- b. Efficiency: SHA acknowledges that longer-term contracts are often beneficial to both the business community and SHA in that they reduce costs necessary to conduct frequent solicitation processes, enable the business community to gain a proficiency and knowledge in meeting SHA's needs, and afford economies of financial return for the business community.
- c. Fairness: In order to ensure fairness and meet the expectations of the business community, the length of any contract shall be limited to the time specified in the advertised solicitation. SHA shall generally not extend a contract beyond the advertised period, except for good and sufficient reasons as may be approved by the Deputy Director of Procurement and Contracts.

##### ❖ Length of Contracts

Recognizing the general policy outlined in these procedures for , and acknowledging the difficulty of developing a standard contract length that is appropriate for all types of contracts, the following shall govern the length of SHA contracts:

- a. Generally, a supply or service contract shall be established for one year, with an option to extend the contract for up to four additional one-year periods. The decision on the length of a contract shall be determined on a case-by-case basis, provided that the Contracting and Procurement Manager approves the contract length.
- b. Solicitation documents and contracts shall include language about the anticipated length of a particular procurement.

❖ Contract Extensions

- a. Options Generally: Options for additional periods may be included in contracts, provided that:
  - 1. The option is contained in the solicitation;
  - 2. The option is a unilateral right of SHA;
  - 3. The contract states a limit on the overall term of the contract;
  - 4. The option is evaluated as part of the initial competition;
  - 5. The contract states the period within which the options may be exercised;
  - 6. The options may be exercised only at the price specified in or reasonably determinable from the contract; and
  - 7. The options may be exercised only if determined to be more advantageous to SHA than conducting a new procurement.
- b. Available Funds: Contracts may be extended beyond the advertised or specified contract term if sufficient, previously obligated funds remain available in the contract budget.

## 5. Ensuring Reasonable Costs

### ❖ Purpose and Definitions

General: As a public agency accountable to both the public and governmental funding agencies, SHA is committed to ensuring that the costs paid for obtaining necessary goods and services are reasonable and that SHA's interests are adequately protected.

Independent Cost Estimate: An estimate of the anticipated costs of a contract or Change Order prepared by SHA staff or other independent party to assist SHA in evaluating the reasonableness of costs proposed by a contractor, consultant, or vendor.

Price Analysis: A written review and evaluation of competitive prices received by SHA to determine whether the proposed price of a Contractor is reasonable when compared with prices provided by others in the market.

Cost Analysis: A written review and evaluation of whether the proposed cost of a contract, Purchase Order, or Change Order, not based on competitive prices received, is reasonable.

SHA must negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

### ❖ Thresholds for Application

The requirements for written Independent Cost Estimates, Cost Analysis, or Price Analysis shall apply if the estimated or actual dollar amount of the contract or Change Order equals or exceeds \$10,000. SHA staff is nevertheless expected to exercise prudent and conservative judgment in evaluating the reasonableness of a proposed expenditure of less than the applicable threshold. The Deputy Director of Contracting and Procurement or the Chief Financial Officer may require the completion of an Independent Cost Estimate, Cost Analysis, or Price Analysis on procurements valued at less than the required threshold if either determines the procurement warrants it.

Direct Payments: Transactions defined on Direct Payments list of SHA Procurement Procedures, based on the nature of the transactions, are exempt from the requirements for conducting Independent Cost Estimates, Cost Analysis, or Price Analysis.

#### ❖ Independent Cost Estimates

Purpose: The purpose of developing an Independent Cost Estimate is to assist SHA in evaluating:

- a. The reasonableness of prices obtained through competition where price *was* used as a selection criterion, or
- b. The reasonableness of prices proposed through a selection process where price *was not* used as a selection criterion.

When Required: Before soliciting bids or proposals, or prior to starting contract negotiations after making a selection based on a Request for Qualifications process, SHA staff must develop an independent estimate of costs.

Independence of Estimate: The Independent Cost Estimate may be prepared by qualified SHA staff or by an independent consultant engaged for the purpose of preparing such an estimate.

#### ❖ Price Analysis

Purpose: The purpose of a Price Analysis is to ensure that the price that SHA will be paying is reasonable based on competition in the market.

When Required: A Price Analysis is performed when SHA staff compares prices submitted as part of a competitive selection process. When price *is* used as the only selection criterion and competition exists, SHA must, prior to award of a contract, evaluate the price proposed for acquiring goods and services against responses received from competing firms. One of the most common uses of Price Analysis occurs when comparing bids received for a construction project.

#### ❖ Cost Analysis

Purpose: The purpose of the Cost Analysis is to ensure that the proposed price is reasonable, and shall include an analysis of individual components of the cost.

When Required: When price *is not* used as the only selection criterion, SHA must, prior to award of a contract or execution of a Change Order, conduct a Cost Analysis.

The following situations require that a Cost Analysis be performed:

- a. Sole source selections
- b. Emergency selections (The Deputy Director of Contracting and Procurement may waive preparation of a Cost Analysis for an emergency).



- c. Single response to a solicitation
- d. Contracts based on a Request for Qualifications (A & E contracts and development partners)
- e. Change orders or other modifications that change the contract amount.
- f. Contracts based on Formal (ITB, RFP, RFCP) or Informal Solicitations where price is one of the evaluation criteria.

Level of Specificity: In evaluating the reasonableness of a particular cost, SHA staff with the necessary experience and knowledge should conduct the Cost Analysis. In documenting such an analysis, there must be a level of specificity and independence appropriate to the contract or Change Order under review that describes what was analyzed.

Breakdown of Costs Required: For any contract or Change Order subject to a Cost Analysis, SHA must require that the contractor/consultant submit to SHA a cost breakdown of their price.

The Contractor/Consultant Cost Breakdown can be a valuable tool for SHA in evaluating the factors that make up the proposed price and in determining whether those prices are reasonable.

#### ❖ Specific Situations

Extent of Analysis: The requirements for ensuring reasonable costs in contracting apply to all SHA procurement activities (goods, supplies, construction, consultant, services), including changes to contracts. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation. Thus, there is some degree in which each analysis is treated on a case-by-case basis depending on the size, nature, and complexity of the contract or Change Order.

Negotiation of Profit: Profit shall be negotiated separately in all cases where there is no price competition. “To establish a fair and reasonable profit, consideration will be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor’s investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.”<sup>1</sup>

Federal Cost Principles: For federally funded projects, the costs or prices based on estimated costs for contracts under Federal award are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for the non-federal entity under 2 CFR 200 Subpart E.

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<sup>1</sup> 2 CFR §200.324(b)

Cost Practices Prohibited: “The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.”<sup>2</sup>

Time-and-Materials Contracts:<sup>3</sup> A time-and-materials contract may be used only:

- a. After a determination that no other contract payment type is suitable, and
- b. If the contract includes a ceiling price that the contractor exceeds at its own risk.

Time and material type contract means a contract whose cost to SHA is the sum of:

- a. The actual cost of materials; and
- b. Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

This calculation generates an open-ended contract price which provides no incentive to the contractor for cost control or labor efficiency. Each time and material contract must, therefore, set a ceiling price that the contractor exceeds at its own risk. Further, in awarding such a contract, the contract must provide a high degree of oversight to assure that the contractor is using efficient methods and effective cost controls.

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<sup>2</sup> 2 CFR §200.324(d)

<sup>3</sup> 2 CFR §200.318(j)(1) - §200.318(j)(2)

## **PROCEDURES FOR DETERMINING ELIGIBILITY TO CONTRACT WITH SHA**

These procedures for determining eligibility to contract with SHA are established for the Seattle Housing Authority (“SHA”) in support of SHA’s Procurement Policy and in accordance with applicable laws and regulations.

### **1. Debarment Status Review**

Prior to an award of a contract, and prior to renewal of a contract for goods or services of multi-year contracts, the Purchasing Division shall ensure that the proposed business has not been debarred, or otherwise declared ineligible by an applicable regulatory agency. The following non-exclusive list of sources shall be reviewed when required:

- a. U.S. General Services Administration’s “List of Parties Excluded From Federal Procurement and Nonprocurement Programs”
- b. U.S. Department of Housing and Urban Development’s “Limited Denial of Participation” List
- c. State of Washington, Department of Labor and Industries list of debarred contractors for prevailing wage violations (only required on construction projects)

Contracts for goods or services are subject to the regulations at 2 CFR §180.220(b)(1) if the amount of the contract is expected to equal or exceed \$25,000.

### **2. Compliance with IRS Regulations**

Prior to making payment to a business, the Purchasing Division shall ensure that SHA receives from the business (if not already on file), a W-9 or W-9 substitute form.

### **3. Performance Evaluation Program**

SHA has a system to evaluate the performance of contractors and consultants doing business with SHA on its construction and consultant projects. Ratings on previous contracts from such a performance evaluation program may be used in determining whether a business is responsible and capable of performing proposed work, and may also provide a mechanism for debarring businesses from contracting with SHA. The Director of Procurement and Contracts is responsible for developing procedures for department staff to use in completing the performance evaluations.

#### **4. Contractor Qualification Requirements**

SHA may develop as part of construction bidding documents, specific and objective qualification requirements for the contractor or subcontractors that may be used in evaluating whether a contractor is a responsible bidder capable of performing the proposed work.

**SEATTLE HOUSING AUTHORITY**  
**PROCEDURES FOR CONSULTANT AND OTHER SERVICES**

These procedures for the purchase of consultant and other services are established for the Seattle Housing Authority (“SHA”) in support of SHA’s Procurement Policy and in accordance with applicable laws and regulations.

**1. General**

**2. Consultant and Other Services - \$250,000 or Less**

- ❖ Department Responsibilities
- ❖ Purchasing Division Responsibilities
- ❖ Informal Solicitations - General
- ❖ Informal Solicitation Requirements

**3. Consultant and Other Services Over \$250,000**

- ❖ Department Responsibilities
- ❖ Purchasing Division Responsibilities
- ❖ Solicitation Requirements

**4. Evaluation Criteria and Award**

- ❖ Evaluation Criteria
- ❖ Evaluation and Award

## 1. General

These procedures outline SHA's: (1) informal procurement policies and procedures for selecting consultants and other service providers for contracts valued at \$250,000.00 or less; and (2) policies and procedures for selecting consultants and other service providers for contracts valued at more than \$250,000.00.<sup>1</sup>

Federal Funding		Non-Federal Funding	
<b>Consultant (non-A/E)</b>			
<b>Dollar Limit</b>		<b>Dollar Limit</b>	
\$10,000 or less	May solicit 1 firm and select if price is reasonable. (MRSC Rosters optional)	\$25,000 or less	Purchasing Division will issue PO or Contract to the Department Selected Vendor.
\$10,001-\$250,000	Solicit a minimum of 3 or more firms. (MRSC Rosters optional)	\$25,001-\$250,000	Solicit a minimum of 3 or more firms. (MRSC Rosters optional)
Over \$250,000	Formally advertised.	Over \$250,000	Formally advertised.
<b>Consultant (A/E)</b>			
<b>Dollar Limit</b>		<b>Dollar Limit</b>	
\$250,000 or less	Solicit a minimum of 3 or more firms using MRSC Rosters under A/E categories.  <b>Note:</b> If the department elects NOT to use the Roster, it must follow the formal solicitation procedure and formally	\$250,000 or less	Solicit a minimum of 3 or more firms using MRSC Rosters under A/E categories.  <b>Note:</b> If the department elects NOT to use the Roster, it must follow the formal solicitation procedure and formally advertise.
Over \$250,000	Formally advertised.	Over \$250,000	Formally advertised.

## 2. Consultant and Other Services - \$250,000 or Less

<sup>1</sup> According to SHA Procurement Policy, Section 2.7, projects funded solely with non-federal funds, "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".

❖ Department Responsibilities:

- a. Department Directors are responsible for ensuring that Project Managers develop and write the following for a proposed informal solicitation:
  - A. Sufficiently detailed, clear, and accurate scope of work.<sup>2</sup>
  - B. Evaluation criteria, including weighting of each criterion.<sup>3</sup>
  - C. List of items to be submitted with the proposal.
- b. For contracts greater than \$10,000, Department Directors shall ensure that an Independent Cost Estimate is developed for the consultant services sought prior to receipt of any proposals. See SHA procedures for Ensuring Reasonable Costs.
- c. Department Directors are responsible for administering the solicitation process, including but not limited to distribution of the solicitation materials to the consultants, issuing addenda, and receiving and evaluating proposals.
- d. Department Directors are responsible for appointing an evaluation panel of at least three qualified members (including one person designated as the chair) to review and rate proposals received. Upon request from the Department Director, the Deputy Director for Procurement and Contracting may approve an alternate method for appointment of the evaluation panel. Generally, it is in SHA's best interests for SHA staff to hold the majority position on panels that include non-SHA members.
- e. Department Directors are responsible for preparing the recommendation for selection and negotiating the contract with the successful consultant.
- f. Department Directors are responsible for administering the contract, including issuing payments and change orders.

❖ Purchasing Division Responsibilities:

- a. Establish procedures and standard informal solicitation and contract documents to be used throughout SHA.
- b. Review each informal solicitation before it is sent to consultants to ensure consistency with the established requirements.
- c. Administer various contract requirements or activities as applicable, including but

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<sup>2</sup> 2 CFR §200.319(d): "The non-Federal entity must have written procedures for procurement transactions. These procedures must ensure that all solicitations: (1) incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured."

<sup>3</sup> 2 CFR §200.319(d)(2): Procurement procedures will ensure that all solicitations "identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals."

not limited to verifying eligibility to do business with SHA, encumbrance of contract funds, insurance, and social equity requirements.

- d. Review and decide on any protests and/or appeals to the solicitation process.

❖ Informal Solicitations - General:

- a. Informal Solicitation Threshold

An informal solicitation may be used only for those Consultant services that will cost \$250,000 or less over the life of the contract (including change orders).<sup>4</sup> Based on selection through an informal solicitation process, no contract may be awarded where the contract amount exceeds \$250,000, and payments during the life of the contract may not exceed \$250,000. In the event that additional services are required under a contract that was based on an informal solicitation, such that the amount of payments would exceed \$250,000, a competitive selection process must be conducted for those additional services and a contract executed.

- b. When to Use Informal Solicitation Process

While procurements of \$250,000 or less may be conducted under less formal selection procedures, competition, including the use of price as one of the evaluation criteria, represents good public policy, and is required for all Consultant services more than \$10,000 for federally funded projects and more than \$25,000 for non-federally funded projects, unless it is an A/E consultant service in which case, price may not be used as an evaluation criteria, regardless of price. The MRSC Rosters by Municipal Research and Services Center (“MRSC”) is another informal solicitation tool available to departments. The listing of roster consultants is accessible through MRSC website. In using the Roster, departments must rotate through the list to the extent possible to facilitate equitable distribution of the opportunities among the roster consultants.

- c. For A/E Services

Consistent with State law, RCW 39.80, when using an informal solicitation process for A/E services, departments may only use the MRSC Rosters Program. If the department elects not to use the Roster, they must follow the formal solicitation procedures outlined in Section 3 below, regardless of dollar value.

- d. Solicitation opportunities for small contracts valued at \$10,000 or less for federally funded projects or \$25,000 or less for non-federally funded project shall be “equitably distribute[d]” among the consultants on MRSC Rosters Program.

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<sup>4</sup> The \$250,000 threshold is based on actual costs, not estimated costs.



❖ Informal Solicitation Requirements:

- a. In order to ensure adequate and sufficient competition in obtaining consultant services, at least three consultants must be solicited.<sup>5</sup> Under special circumstances and for good and sufficient reasons, the Deputy Director of Procurement and Contracting may approve solicitation of just two consultants.
- b. SHA provides opportunities to WMBE and Section 3 firms, when feasible.<sup>6</sup> Where possible, WMBE and/or Section 3 firm shall be solicited for each informal solicitation.
- c. The requirements and responses relating to most informal solicitations should be communicated in writing between SHA and the consultants. Where the requirements are simple and the selection decision can be made solely on the basis of price, a more streamlined solicitation process may be used for communicating requirements and receiving responses orally instead of in writing.
- e. Informal solicitations should be available for review by consultants for a sufficient length of time to provide consultants with adequate time to prepare and submit proposals.
- d. Procurement Procedures shall outline requirements for receipt of proposals, including, but not limited to, addressing to whom proposals should be submitted, the means of solicitation and proposal submission (electronic, hard copy, or oral), and deadlines for submission.

**3. Consultant and other Services over \$250,000**

❖ Department Responsibilities:

- a. Department Directors are responsible for ensuring that Project Managers develop and write the following for a RFP or RFQ:
  - Sufficiently detailed, clear, and accurate scope of work.<sup>7</sup>
  - Evaluation criteria, including weighting of each criterion.
  - List of items to be submitted with the proposal/submittal.
- b. Department Directors shall ensure that an Independent Cost Estimate is

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<sup>5</sup> 2 CFR §200.320(a)(2)(i): “If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources as determined appropriate by the non-Federal entity.”

<sup>6</sup> 2 CFR §200.321. See also SHA Policies On Diversity In Contracting.

<sup>7</sup> 2 CFR §200.319(d): “The non-Federal entity must have written procedures for procurement transactions. These procedures will ensure that all solicitations: (1) incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured.”

developed for the work prior to issuance of an RFP/RFQ.<sup>8</sup>

- c. Department Directors are responsible for appointing an evaluation panel of at least three qualified members (including one person designated as the chair) to review and rate proposals received. Generally, it is in SHA's best interest for SHA staff to hold the majority position on panels that include non-SHA members.

❖ Purchasing Division Responsibilities:

- a. Establish standard RFP/RFQ documents to be used throughout SHA.
- b. Advertise the RFP/RFQ.
- c. Review and approve each RFP/RFQ before it is made available to consultants to ensure that it is clear, consistent with requirements, and promotes competition.
- d. Distribute the RFP/RFQ and addenda.
- e. Receive proposals submitted in response to RFPs and RFQs.
- f. Be eligible to serve as coordinator and facilitator of the evaluation panel.
- g. Review and decide on any protests and/or appeals to the solicitation process
- h. Prepare the Contract based on negotiations.
- i. Administer various contract requirements or activities as applicable, including but not limited to verifying eligibility to do business with SHA, encumbrance of contract funds, insurance, and social equity requirements.

❖ Solicitation Requirements: the type of solicitation will depend on the scope of services to be performed and will either take the form of a Request for Proposal (RFP) or a Request for Qualification (RFQ) process.

- a. RFPs and RFQs will be publicly advertised in, but is not limited to, the Seattle Daily Journal of Commerce newspaper.<sup>9</sup>
- b. SHA encourages the use of WMBEs and Section 3 firms as consultants.<sup>10</sup>

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<sup>8</sup> 2 CFR §200.324(a)

<sup>9</sup> 2 CFR §200.320(b)(2)(i): "Requests for proposals must be publicized..."

<sup>10</sup> 2 CFR §200.321. See also SHA Policies On Diversity In Contracting.

Where possible, WMBE or Section 3 firm shall be solicited for each RFP/RFQ.

- c. RFPs and RFQs should be advertised and available for review by consultants for a sufficient length of time to provide consultants with adequate time to prepare and submit proposals.
- d. The length of time shall be determined based on a number of factors, including but not limited to, the estimated dollar value of the work to be performed, the complexity of the work, the degree to which SHA is requesting consultants to develop a proposal or project approach versus merely providing information about qualifications, experience, and availability.
- e. Generally, it is expected that RFPs/RFQs will be advertised and available for review by consultants for 25 calendar days before proposals are due. However, dependent upon the particular procurement, the Deputy Director of Procurement and Contracting may determine that adequate competition and preparation and submission of proposals may be accomplished in a shorter period of time, and the 25 calendar day guideline may be adjusted appropriately.
- f. The Deputy Director for Procurement and Contracting, in consultation with the applicable Department Director, shall make the final decision on the length of time an RFP/RFQ is advertised.
- g. Procurement Procedures shall outline requirements for receipt of proposals,<sup>11</sup> including, but not limited to, addressing to whom proposals should be submitted, the means of solicitation and proposal submission (electronic or hard copy), and deadlines for submission.

#### **4. Evaluation Criteria and Award**

##### **❖ Evaluation Criteria:**

- a. Price:
  - For non A/E Services: Price shall be used as an evaluation criterion.<sup>12</sup>
  - For A/E Services: Price may not be used as an evaluation criterion.
- b. Experience:

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<sup>11</sup> 2 CFR §200.320(b)(2)(i): "Any response to publicized requests for proposals must be considered to the maximum extent practical."

<sup>12</sup> 2 CFR §200.320(b)(2)(iii): "Contracts must be awarded to the responsible offeror whose proposal is most advantageous to the non-federal entity, with price and other factors considered;" 2 CFR §200.320(a)(2)(i): "If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources"

- Experience of the consultant, expertise and qualifications of staff to be used, along with availability to perform the services and other factors may also be used as evaluation criteria.
- c. Geographic Location:
- For non A/E Services: The geographic location of Consultants submitting proposals may not be used as an evaluation criterion.<sup>13</sup>
  - For A/E Services: The geographic location of A/E Consultants submitting qualifications may be used as an evaluation criterion provided that “its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.”<sup>14</sup>

❖ Evaluation and Award:

- a. Evaluation criteria and the relative weight of each criterion shall be included in the informal solicitation or RFP/RFQ.<sup>15</sup>
- b. The evaluation panel appointed by the Department Director shall evaluate proposals received based only on the established criteria and upon the proposal submitted.<sup>16</sup>
- c. Generally, the highest ranking consultant shall be selected.
- d. SHA shall enter into negotiations with the highest ranked consultant in an effort to execute a Contract.<sup>17</sup> In the event that negotiations are unsuccessful, SHA may proceed to negotiate with the next highest ranked Consultant.
- e. Department Directors shall ensure that an adequate and sufficient Cost Analysis or Price Analysis is conducted that demonstrates the reasonableness of the proposed contract amount (see SHA procedures for Ensuring Reasonable Costs for further information).<sup>18</sup>
- f. Contracts based on an informal solicitation shall normally be either based on

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<sup>13</sup> 2 CFR §200.319(c): “The non-Federal entity must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws.”

<sup>14</sup> 2 CFR §200.319(c)

<sup>15</sup> 2 CFR §200.320(b)(2)(i): “Requests for proposals must be publicized and identify all evaluation factors and their relative importance.”

<sup>16</sup> 2 CFR §200.320(b)(2)(ii): “The non-Federal entity must have a written method for conducting technical evaluations of the proposals received and making selections.”

<sup>17</sup> 2 CFR §200.320(b)(2)(iii): “Contracts must be awarded to the responsible offeror whose proposal is most advantageous to the non-Federal entity”

<sup>18</sup> 2 CFR §200.324(a)

a fixed-price, cost reimbursement,<sup>19</sup> or unit price model. The form of contract to be used shall either be the standard contract or roster contract/work order boilerplate.

Contracts based on an RFP/RFQ shall normally be either based on a fixed-price or a cost-reimbursement model.<sup>20</sup>

- g. Federal Contract Provisions: Federally funded contracts shall contain, where applicable, contract language required by 2 CFR §200.327.

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<sup>19</sup> 2 CFR §200.320(b)(2): "...either a fixed-price or cost-reimbursement type contract is awarded." This regulation is technically not applicable to an informal solicitation but it provides good guidance.

<sup>20</sup> 2 CFR §200.320(b)(2): "...either a fixed-price or cost-reimbursement type contract is awarded."

**SEATTLE HOUSING AUTHORITY**  
**PROCEDURES FOR CONSTRUCTION AND MAINTENANCE**

**1. Bids versus Proposals**

**2. Selection Methodologies**

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- ❖ Federal vs. State Prevailing Wages
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## 1. Bids versus Proposals

Generally, contractors for construction and maintenance projects should be selected based on competitive bids (evaluated solely upon price) instead of proposals (evaluated on price and other factors). If the following criteria<sup>1</sup> are met, competitive bidding should be utilized:

1. A complete, adequate, and realistic specification is available.
2. Two or more responsible bidders are willing and able to compete effectively for the work.
3. The project lends itself to a firm fixed-price contract, and the selection of the successful bidder can be made principally on the basis of price.<sup>2</sup>

## 2. Selection Methodologies

- ❖ Design, Bid, Build: Generally, most construction projects will employ a selection methodology in which a separate designer and contractor are hired to complete the project. Under the traditional “Design, Bid, Build” system, an Invitation to Bid will be advertised, competitive bids will be received, and the project will be awarded to the lowest responsive bid submitted by a responsible bidder.
- ❖ Alternate Selection Methodologies: When the criteria in 2 CFR §200.320(b)(1) are not applicable, and SHA is using federal funds, SHA may elect to use alternate solicitation methods for the selection of a Contractor, which may include such methodologies as the General Contractor Construction Manager (GC/CM), or Design-Build (DB) model. In such a situation, the Contractor’s price is evaluated along with other criteria relating to the contractor’s abilities to perform the contract. The standard form of solicitation used is the Proposal method.
- ❖ Solicitation requirements for federally funded and non-federally funded contracts:

Dollar Limit	Solicitation Requirements
\$10,000 or less	May solicit 1 firm using Small Works Roster and select if pricing is reasonable.
\$10,001 -- \$50,000	Solicit a minimum of 3 or more firms on Small Works Roster, use limited public work process and equitably distribute work.
\$50,001 -- \$250,000	Solicit a minimum of 5 or more firms on Small Works Roster and equitably distribute work.

<sup>1</sup> These criteria are adapted slightly from the language contained in 2 CFR §200.320(b)(1)(i).

<sup>2</sup> The use in 2 CFR §200.320(b)(1)(i)(C) of the phrase “the selection of the successful bidder can be made principally on the basis of price” refers not to price being one of many evaluation criteria, but that price is the only factor provided the bid is responsive and the bidder is responsible.

### 3. Small Works Roster (Informal Solicitation)

- ❖ Definition: The Small Works Roster was established under the authority of RCW 39.04.155. Seattle Housing Authority utilizes the Municipal Research and Services Center (MRSC) roster service, including its Small Works Roster for construction<sup>3</sup>. The Roster permits SHA to select a contractor for certain construction projects without otherwise publicly advertising the work, but by following the process outlined in State law for soliciting bids from contractors on the Roster.
  
- ❖ Annual Advertisement: Consistent with the requirements of State law, MRSC annually publishes an advertisement inviting contractors to apply for the Roster. This advertisement identifies SHA as a participating Agency. Contractors may apply for the MRSC Roster anytime during the year. In the event that the Roster is used as a tool for obtaining the names of contractors, additional names may be added to the Roster after solicitation.
  
- ❖ Specifications and Contracts:
  - a. Bid Guarantee: Specifications shall indicate whether bidders must submit a bid guarantee with their bid in an amount not less than 5% of the bid price. For projects of \$250,000 or less, the bid guarantee requirement may be waived and not included in bidding documents.<sup>4</sup>
  
  - b. Contract Bond: 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. 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 For contract utilizing the limited public works roster under RCW 39.04.133 (i.e. \$50,000 or less), SHA is entitled to waive the requirement for payment and performance bonds.
  
  - c. Retainage: Consistent with the requirements of Chapter 60.28 RCW, SHA shall withhold retainage from the contractor in the amount of 5% of each payment to the contractor, provided, however, consistent with RCW 39.04.155, that SHA may waive the requirement to withhold retainage for a project estimated to cost \$50,000 or less. As an alternative to withholding retainage, State law permits the contractor

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<sup>3</sup> SHA's Small Works Roster was established under the authority of RCW 39.04.155. In 2013, SHA joined Municipal Research Service Center (MRSC) which allows us to access MRSC rosters, including its Small Works Roster for construction.

<sup>4</sup> 2 CFR §200.326(a)



to submit a bond in lieu of retainage.

- d. **Prevailing Wages:** Specifications shall require the payment of applicable prevailing wages, and contracts shall identify the wage schedule applicable to the project by including a copy of the wages or by incorporating the wages by reference. When the applicable schedule is referenced, the contract shall include instructions for accessing the wage schedule.
- e. **Federal Contract Provisions:** Federally funded contracts shall contain, where applicable, contract language required by 2 CFR §200.327.

❖ **Non-Competitive Procurements:** Refer to Procedures for Procurements with Sole Source, Emergency, and Single Response to a solicitation.

❖ **Department Responsibilities:**

- a. Department Directors are responsible for ensuring that Project Managers develop sufficiently detailed, clear, and accurate<sup>5</sup> drawings and specifications for a project to permit fair and consistent competition, or that the Project Manager reviews the drawings and specifications developed by an outside consultant.<sup>6</sup>
- b. Department Directors shall ensure that the drawings and specifications do not unduly restrict competition to certain brand name products. “The description may include a statement of the qualitative nature of the material, product, or service to be procured, and when necessary, shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a brand name or equal description may be used as a means to define the performance or other salient requirements of a material, product, or service. “The specific features of the named brand which must be met...shall be clearly stated;”<sup>7</sup>
- c. For contracts of \$10,000 or more, Department Directors shall ensure that an Independent Cost Estimate is developed for the services sought prior to receipt of any bids.
- d. Department Directors are responsible for ensuring that only bids received by the published deadline are considered for evaluation.

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<sup>5</sup> 2 CFR §200.319(d): “The non-Federal entity must have written procedures for procurement transactions. These procedures must ensure that all solicitations: (1) incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured.”

<sup>6</sup> 2 CFR §200.320(b)(1)(ii)(B): “The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;” See also 2 CFR §200.319(d)(2): Procurement procedures must ensure that all solicitations “identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.”

<sup>7</sup> 2 CFR §200.319(d)(1)

- e. Department Directors are responsible for reviewing the bidder evaluation performed by the Project Manager to ensure that the bidder under consideration for award is a responsible bidder.

❖ Purchasing Division Responsibilities: The Purchasing Division shall:

- a. Establish standard construction bidding documents to be used throughout SHA.
- b. Review and approve each informal solicitation before it is made available to contractors to ensure that it is clear, consistent with requirements, and promotes competition.
- c. Evaluate bids for responsiveness to the specifications.
- d. Assist Project Managers in evaluating the responsibility of a bidder, and make final decision on bidder responsibility.

❖ Solicitation Requirements: Unless the Deputy Director of Procurement and Contracts or the Chief Financial Officer approves of an alternate solicitation method, the Small Works Roster shall be used for obtaining bids for all informal solicitations.

- a. For contracts estimated to cost more than \$10-,000, bids will be solicited consistent with the procedures in State law regarding the Small Works Roster, and with the requirements of 2 CFR §200.317 through §200.327 for “small purchases,” which requires that “price or rate quotations...be obtained from an adequate number of qualified sources.”<sup>8</sup>
- b. Informal Solicitations should be available for review by contractors for a sufficient length of time to provide contractors with adequate time to prepare and submit their bids.<sup>9</sup>
  - A. The length of time shall be determined based on a number of factors, including but not limited to, the estimated dollar value of the work to be performed, the complexity of the work, and general market conditions at the time.
  - B. Generally, it is expected that an informal solicitation will be available for review by contractors for a minimum of 5 calendar days before bids are due.
  - C. The Deputy Director of Procurement and Contracts, in consultation with the applicable Department Director, shall make the final decision on the length of time an Informal Solicitation is under review by contractors.
- c. SHA encourages the use of WMBE and Section 3 firms as contractors and

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<sup>8</sup> 2 CFR §200.320(a)(2). This regulation requires that “if small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources...” In adopting these Procedures, SHA has determined that one source represents “an adequate number” for solicitations under \$2,000.

<sup>9</sup> 2 CFR §200.320(b)(1)(ii): The ITB shall provide contractors “sufficient response time prior to the date set for opening the bids,...”

subcontractors.<sup>10</sup> Where possible, WMBE or Section 3 firm shall be included in the solicitation.

- d. All bids received by the required deadline will be evaluated. e.
- e. Procurement Procedures shall outline requirements for receipt of bids, including, but not limited to, addressing where bids should be submitted, and deadlines for submission.

❖ Evaluation and Award:

- a. The Purchasing Division shall evaluate whether the bids submitted are responsive to the specifications.<sup>11</sup>
- b. The Project Manager and Purchasing Division shall evaluate whether the bidder submitting the lowest responsive bid is a responsible bidder. Responsibility analysis includes, but is not limited to, verifying contractor compliance with the bidder responsibility requirements of RCW 39.04.350, as well as issues related to the capability of the bidder to successfully complete the work (based on a review of past performance and other factors), financial stability, personnel, equipment, etc.<sup>12</sup>
- c. If a contract based on an informal solicitation is to be awarded, it shall be awarded only to a responsible bidder submitting the lowest responsive bid.<sup>13</sup>
- d. The geographic location of contractors may not be used as an evaluation criterion.<sup>14</sup>
- e. SHA shall reserve the right to reject any or all bids “if there is a sound documented reason.”<sup>15</sup>
- f. Contracts shall be for a firm fixed-price based on either a lump sum amount or the summation of unit prices.<sup>16</sup> On a unit price contract, SHA shall pay the contractor only for actual quantities installed, and thus the awarded contract amount may

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<sup>10</sup> 2 CFR §200.321. See also SHA Policies On Diversity In Contracting.

<sup>11</sup> 2 CFR §200.320(b)(1): The bid must conform “with all the material terms and conditions of the invitation for bids,…”

<sup>12</sup> 2 CFR §200.318(h): “The non-Federal entity must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.”

<sup>13</sup> 2 CFR §200.320(b)(1)(ii)(D): “A firm fixed price contract award will be made in writing to the lowest and responsive and responsible bidder.”

<sup>14</sup> 2 CFR §200.319(c)

<sup>15</sup> 2 CFR §200.320(b)(1)(ii)(E). Technically, this regulation does not apply to contracts of \$250,000 or less but nevertheless offers good guidance.

<sup>16</sup> 2 CFR §200.320(b)(1): “...a firm fixed-price contract (lump sum or unit price) is awarded to the responsible bidder...” Technically, this regulation does not apply to contracts of \$250,000 or less but nevertheless offers good guidance.

vary from the actual amount paid to the contractor.

#### **4. Formal Solicitation (ITB or Alternate Proposal method)**

- ❖ An Invitation to Bid (ITB) or Proposal method is a formally advertised<sup>17</sup> competitive selection process used for obtaining construction and maintenance services that will cost more than \$250,000.
  
- ❖ Specifications and Contracts:
  - a. Bid/Proposal Guarantee: Specifications shall require that bidders submit a bid guarantee with their bid/proposal in an amount not less than five percent of the total amount bid (the maximum dollar amount that could be awarded when additives and alternates are considered).<sup>18</sup>
  - b. Contract Bond: Specifications shall require the successful contractor to submit a Payment and Performance Bond (Contract Bond) or a separate Payment Bond and a separate Performance Bond in the amount of 100% of the awarded contract amount.<sup>19</sup>
  - c. Prevailing Wages: Specifications shall require the payment of applicable prevailing wages and contracts shall include a copy of such wage rates.
  - d. Federal Contract Provisions: Federally funded contracts shall contain contract language required by 2 CFR §200.327.
  
- ❖ Non-Competitive Procurements: Refer to Procedures for Procurements with Sole Source, Emergency, and Single Response to a solicitation.
  
- ❖ Department Responsibilities:
  - a. Department Directors are responsible for ensuring that Project Managers develop

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<sup>17</sup> 2 CFR §200.320(b)(1)(ii)(A): "..., the invitation for bids must be publicly advertised;"

<sup>18</sup> 2 CFR §200.326(a): "A bid guarantee from each bidder equivalent to five percent of the bid price. The 'bid guarantee' must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified."

<sup>19</sup> 2 CFR §200.326(b): "A performance bond on the part of the contractor for 100 percent of the contract price. A 'performance bond' is one executed in connection with a contract to secure fulfillment of all the contractor's requirements under such contract." 2 CFR §200.326(c): "A payment bond on the part of the contractor for 100 percent of the contract price. A 'payment bond' is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract." See also Chapter 39.08 RCW (Contractor's Bond).

sufficiently detailed, clear, and accurate<sup>20</sup> drawings and specifications for a project to permit fair and consistent competition, or that the Project Manager reviews the drawings and specifications developed by an outside consultant.<sup>21</sup>

- b. Department Directors shall ensure that the drawings and specifications do not unduly restrict competition to certain brand name products. “The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a ‘brand name or equivalent’ description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated;”<sup>22</sup>
- c. For ITB Formal Solicitations, Department Directors are responsible for reviewing the evaluation performed by the Project Manager of the bidder under consideration for award to ensure that the bidder is a responsible bidder.
- d. For RFCPs or Alternate Solicitations, Department Directors are responsible for appointing an evaluation panel of at least three qualified members (including one person designated as the chair) to review and rate proposals received. Upon request from the Department Director, the Deputy Director of Procurement and Contracting may approve an alternate method for appointment of the evaluation panel. Generally, it is in SHA’s best interests for SHA staff to hold the majority position on panels including non-SHA members.

❖ Purchasing Division Responsibilities: The Purchasing Division shall:

- a. Establish standard general conditions for construction to be used in all of SHA’s construction specifications.
- b. Advertise the solicitation opportunity.
- c. Review and approve each solicitation before it is sent to contractors to ensure that it is clear, consistent with requirements, and promotes competition.
- d. Distribute solicitation documents and addenda to contractors.

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<sup>20</sup> 2 CFR §200.319(d): “The non-Federal entity must have written procedures for procurement transactions. These procedures must ensure that all solicitations: (1) incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured.”

<sup>21</sup> 2 CFR §200.320(b)(1)(ii)(B): “The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond.” See also 2 CFR §200.319(d)(2): Procurement procedures must ensure that all solicitations “identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.”

<sup>22</sup> 2 CFR §200.319(d)(1)

- e. Accept ITB bids received by the bid submittal deadline and publicly open and read bids.<sup>23</sup>
- f. Evaluate pricing of Proposals. Note: Proposals are not opened or read publicly.
- g. Evaluate bids for responsiveness to the specifications.
- h. Assist Project Managers in evaluating the responsibility of a bidder.

❖ Solicitation Requirements:

- a. ITBs or Proposals will be publicly advertised in, but is not limited to, the *Seattle Daily Journal of Commerce* newspaper.<sup>24</sup>
- b. ITBs or Proposals should be advertised and available for review by contractors for a sufficient length of time to provide contractors with adequate time to prepare and submit their bids or proposals.<sup>25</sup>
- c. The length of time shall be determined based on a number of factors, including but not limited to, the estimated dollar value of the work to be performed, the complexity of the work, and general market conditions at the time.
- d. Generally, it is expected that ITBs or Proposals will be advertised and available for review by contractors for 25 calendar days before bids are due. However, dependent upon the particular procurement, the Deputy Director of Procurement and Contracting may determine that adequate competition and preparation and submission of bids may be accomplished in a shorter period of time, and the 25 calendar day guideline may be adjusted appropriately.
- e. The Deputy Director of Procurement and Contracting, in consultation with the applicable Department Director, shall make the final decision on the length of time a solicitation opportunity is advertised.
- f. SHA encourages the use of WMBE and Section 3 firms as contractors and subcontractors.<sup>26</sup>
- g. "All ITB bids [received by the required deadline] will be publicly opened at the time and place prescribed in the invitation for bids."<sup>27</sup>
- h. Procurement Procedures shall outline requirements for receipt of bids or

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<sup>23</sup> 2 CFR §200.320(b)(1)(ii)(C)

<sup>24</sup> 2 CFR §200.320(b)(1): "...bids are publicly solicited..."

<sup>25</sup> 2 CFR §200.320(b)(1)(ii)(A): The ITB shall provide contractors "sufficient response time prior to the date set for opening the bids."

<sup>26</sup> 2 CFR §200.321. See also SHA Policies On Diversity In Contracting.

<sup>27</sup> 2 CFR §200.320(b)(1)(ii)(C)

proposals, including, but not limited to, addressing where bids or proposals should be submitted, and deadlines for submission.

- i. Proposal Solicitation Requirements: If an Alternate Solicitation method is used, the following processes are also required:
  - A. Advertising: Proposal solicitation will identify all evaluation factors and their relative importance.
  - B. Evaluation: SHA shall have a method for conducting evaluations of the technical proposals.
  - C. Award: Award will be made to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.

❖ Evaluation and Award:

- a. SHA shall evaluate whether the bids submitted are responsive to the specifications.<sup>28</sup>
- b. SHA shall evaluate whether the bidder submitting the lowest responsive bid is a responsible bidder.<sup>29</sup> Responsibility analysis includes, but is not limited to, verifying contractor compliance with the bidder responsibility requirements of RCW 39.04.350, as well as issues related to the capability of the bidder to successfully complete the work (based on a review of past performance and other factors), financial stability, personnel, equipment, etc.<sup>30</sup>
- c. If a contract is to be awarded, it shall be awarded only to a responsible bidder submitting the lowest responsive bid.<sup>31</sup>
- d. The geographic location of contractors may not be used as an evaluation criterion.<sup>32</sup>
- e. SHA shall reserve the right to reject any or all bids “if there is a sound documented reason.”<sup>33</sup>
- f. Contracts shall be for a firm fixed-price based on either a lump sum amount or the

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<sup>28</sup> 2 CFR §200.320(b)(1): The bid must “conform with all the material terms and conditions of the invitation for bids”

<sup>29</sup> 2 CFR §200.320(b)(1): “...contract (lump sum or unit price) is awarded to the responsible bidder...”

<sup>30</sup> 2 CFR §200.318(h): SHA “must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.”

<sup>31</sup> 2 CFR §200.320(b)(1)(ii)(D): “A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder.”

<sup>32</sup> 2 CFR §200.319(c)

<sup>33</sup> 2 CFR §200.320(b)(1)(ii)(E)

summation of unit prices.<sup>34</sup> On a unit-price contract, SHA shall only pay the contractor for actual quantities installed, and thus the awarded contract amount may vary from the actual amount paid to the contractor.

## 5. Prevailing Wages

- ❖ Federal vs. State Prevailing Wages: The prevailing wage rates applicable to a construction or maintenance project will be determined by whether the project is funded with federal or non-federal funds.<sup>35</sup> If a project is funded with both federal and non-federal funds, regardless of the amount of federal funds involved, federal prevailing wage rates shall be applicable.<sup>36</sup>
  
- ❖ Applicability of Federal Prevailing Wage Requirements: Federal prevailing wage requirements shall apply only to construction projects of more than \$2,000 that contain federal funds.<sup>37</sup>

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<sup>34</sup> 2 CFR §200.320(b)(1): "...a firm fixed-price contract (lump sum or unit price) is awarded to the responsible bidder..."

<sup>35</sup> The applicability of prevailing wages established by the U.S. Department of Labor versus the U.S. Department of Housing and Urban Development shall be governed by regulations of those agencies.

<sup>36</sup> 24 CFR §965.101

<sup>37</sup> Davis-Bacon Act (Title 40, Sec. 3141-3144, 3146, and 3147)



## **SEATTLE HOUSING AUTHORITY**

### **PROCEDURES FOR GOODS, SUPPLIES, EQUIPMENT AND MATERIALS**

These procedures for the purchase of goods, supplies, equipment and materials are established for the Seattle Housing Authority (“SHA”) in support of SHA’s Procurement Policy and in accordance with applicable laws and regulations.

#### **1. General**

- ❖ Solicitation requirements for federally funded and non-federally funded contracts

#### **2. Informal Solicitation**

- ❖ Definition
- ❖ Blanket Contracts
- ❖ Evaluation Criteria
- ❖ Department Responsibilities
- ❖ Purchasing Division Responsibilities
- ❖ Solicitation Requirements
- ❖ Cost or Price Analysis
- ❖ Non-Competitive Procurements
- ❖ Informal Solicitation Threshold
- ❖ Federal Contract Provisions

#### **3. Invitations to Bid**

- ❖ Definition
- ❖ When to Use ITBs
- ❖ Evaluation Criteria
- ❖ Department Responsibilities
- ❖ Purchasing Division Responsibilities
- ❖ Solicitation Requirements
- ❖ Evaluation and Award
- ❖ Federal Contract Provisions

#### **4. Request for Proposals**

- ❖ Definition
- ❖ When to Use RFPs

## 1. General

These Procedures deal primarily with the purchase of goods, supplies, equipment, materials, and certain non-consultant services, and is frequently referred to as “goods and supplies.” Generally, goods and supplies are obtained through the use of a Purchase Order. In addition, certain services, depending on their type and nature, may be obtained through the use of a Purchase Order, provided there is an adequate written scope of work and subject to the approval of the Deputy Director of Procurement and Contracting.

### ❖ Solicitation requirements for federally funded and non-federally funded contracts

<b>Goods/Supplies</b>	
<b>Dollar Limit</b>	<b>Solicitation Requirements</b>
\$10,000 or less	May solicit 1 quote and select if price is reasonable.
\$10,001-\$250,000	Solicit a minimum of 3 or more quotes.
Over \$250,000	Formally advertised.

## 2. Informal Solicitation

❖ Definition: The procurements costing \$250,000 or less qualify as “small purchases” that are not subject to formal advertising as part of the selection process (2 CFR §200.320(b)).

### ❖ Blanket Contracts

The use of Blanket Contracts is encouraged to ensure competitive pricing that has already been secured and such contracts should be equitably distributed among vendors.

### ❖ Evaluation Criteria

a) Except as provided in SHA non-competitive procurement procedures, price shall be used as the primary evaluation criterion and quotations must be obtained from an adequate number of qualified sources.<sup>1</sup>

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<sup>1</sup> 2 CFR §200.320(a)(2)(i)

- b) The geographic location of vendors submitting bids may not be used as an evaluation criterion.<sup>2</sup>

❖ Department Responsibilities

- a) Department Directors are responsible for ensuring that Project Managers develop and provide “a clear and accurate description of the technical requirements”<sup>3</sup> of the item(s) to be purchased through a Purchase Order.
- b) Department Directors shall ensure that product descriptions on Purchase Requisitions do not unduly restrict competition. The description shall include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a “brand name or equivalent” description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated.<sup>4</sup>
- c) For purchases of \$10,000 or more, Department Directors shall ensure that an Independent Cost Estimate is developed for the goods sought prior to issuance of a solicitation for bids or quotations.

❖ Purchasing Division Responsibilities: The Purchasing Division shall:

- a) Review Purchase Requisitions submitted to ensure that they have been approved by an individual with sufficient Expenditure Authority.
- b) Review Purchase Requisitions to ensure that the goods sought are described in sufficient detail to price the item(s).

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<sup>2</sup> 2 CFR §200.319(c): “The non-Federal entity must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws.”

<sup>3</sup> 2 CFR §200.319(d): “The non-Federal entity must have written procedures for procurement transactions. These procedures must ensure that all solicitations: (1) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured.”

<sup>4</sup> 2 CFR §200.319(d)(1)

❖ Solicitation Requirements:

- a) In order to ensure adequate and sufficient competition in obtaining goods and supplies valued at more than \$10,000, at least three vendors must be solicited.<sup>5</sup> Under special circumstances and for good and sufficient reasons, the Deputy Director of Procurement and may approve solicitation of just two vendors.
- b) SHA encourages the use of WMBE and Section 3 firms as vendors.<sup>6</sup> Where possible, WMBE or Section 3 firm shall be solicited for each procurement valued at more than \$10,000.
- c) Price quotations may be received orally, by e-mail or any other reasonable means. The decision about whether to request and receive price quotations orally or in writing shall be made by the Deputy Director of Procurement and Contracting based on the complexity of the solicitation. Simple solicitations may be handled orally, while more complex ones should be handled in writing. Any solicitation for goods which must be manufactured or assembled specifically for SHA, or for which installation is a component, should generally be transmitted and responses received in writing.
- d) In soliciting prices for goods valued at more than \$10,000, the Purchasing Division shall allow a sufficient length of time for vendors to prepare and submit their prices.

❖ Cost or Price Analysis: Department Directors shall ensure that an adequate and sufficient Cost Analysis or Price Analysis is conducted that demonstrates the reasonableness of the proposed contract amount (see SHA Procedures for Ensuring Reasonable Costs).<sup>7</sup> The Cost Analysis or Price Analysis should be in writing for all contracts costing more than \$10,000 and must be in writing for all contracts costing more than \$250,000.

❖ Non-Competitive Procurements: Refer to SHA Procedures for Procurements with Sole Source, Emergency, and Single Response to a solicitation.

❖ Informal Solicitation Threshold: An informal solicitation may be used only for buying goods and supplies that will cost \$250,000 or less.<sup>8</sup> Based on using an informal solicitation process, no contract may be awarded where the contract amount exceeds \$250,000, and payments during the life of the contract (including change orders) may not exceed \$250,000. In the event that additional goods and supplies are required

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<sup>5</sup> 2 CFR §200.320(a)(2)(i): "If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources as determined appropriate by the non-Federal entity."

<sup>6</sup> 2 CFR §200.321. See also SHA Policies On Diversity In Contracting.

<sup>7</sup> 2 CFR §200.324(a)

<sup>8</sup> The \$250,000 threshold is based on actual cost, not estimated cost.

under a contract that was based on an informal solicitation, such that the amount of payments would exceed \$250,000, a competitive selection process must be conducted for those additional goods and supplies and a contract executed. In no event shall the amount of a contract based on an informal solicitation exceed \$250,000.

- ❖ Federal Contract Provisions: Federally funded Purchase Orders shall contain, where applicable, contract language required by 2 CFR §200.327.

### **3. Invitations to Bid**

- ❖ Definition: An Invitation to Bid (ITB) is a formally advertised<sup>9</sup> and competitive selection process used for obtaining goods and supplies that will cost more than \$250,000, where award is made based on the lowest price submitted by a responsible bidder with a responsive bid.<sup>10</sup>
- ❖ When to Use ITBs: Generally, vendors providing goods, supplies, equipment, materials, and some services should be selected based on competitive bids. If the following criteria are met, an ITB should be utilized:<sup>11</sup>
  - a) The amount of the procurement, including any potential change orders, will cost more than \$250,000.
  - b) A complete, adequate, and realistic specification or purchase description is available.
  - c) Two or more responsible bidders are willing and able to compete effectively for the work.
  - d) The project lends itself to a firm fixed price contract, and the selection of the successful bidder can be made principally on the basis of price.<sup>12</sup>

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<sup>9</sup> 2 CFR §200.320(b)(1)(ii)(A): "...the invitation for bids must be publicly advertised;"

<sup>10</sup> The use in 2 CFR §200.320(b)(1)(i)(C) of the phrase "...the selection of the successful bidder can be made principally on the basis of price" refers not to price being one of many evaluation criteria, but that price is the only factor provided the bid is responsive and the bidder is responsible.

<sup>11</sup> These criteria are adapted slightly from the language contained in 2 CFR §200.320(b)(1)(i).

<sup>12</sup> The use in 2 CFR §200.320(b)(1)(i)(C) of the phrase "selection of the successful bidder can be made principally on the basis of price" refers not to price being one of many evaluation criteria, but that price is the only factor provided the bid is responsive and the bidder is responsible.

❖ Evaluation Criteria

- a) Price shall be the evaluation criterion used, provided the bid is submitted by a responsible bidder with a responsive bid.<sup>13</sup>
- b) The geographic location of vendors submitting prices may not be used as an evaluation criterion.<sup>14</sup>

❖ Department Responsibilities

- a) Department Directors are responsible for ensuring that Project Managers develop and write the following for an ITB:
  - Sufficiently detailed, clear, and accurate description of the product to be provided and/or scope of work to be performed.<sup>15</sup>
  - Evaluation criteria, including weighting of each criterion, where price is used as the only criterion.<sup>16</sup>
  - List of items to be submitted with the bid.
- b) Department Directors shall ensure that product descriptions on Purchase Requisitions and in ITBs do not unduly restrict competition. “The description may include a statement of the qualitative nature of the material, product, or service to be procured, and when necessary, shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a brand name or equal description may be used as a means to define the performance or other salient requirements of a material, product, or service. The specific features of the named brand which must be met shall be clearly stated.”<sup>17</sup>
- c) Department Directors shall ensure that an Independent Cost Estimate is developed

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<sup>13</sup> 2 CFR §200.320(b)(1)(i)(C): The “selection of the successful bidder can be made principally on the basis of price.” This phrase refers not to price being one of many evaluation criteria, but that price is the only factor provided the bid is responsive and the bidder is responsible.

<sup>14</sup> 2 CFR §200.319(c): “The non-Federal entity) must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws.”

<sup>15</sup> 2 CFR §200.319(d): “The non-Federal entity must have written procedures for procurement transactions. These procedures will ensure that all solicitations: (1) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured.”

<sup>16</sup> 2 CFR §200.319(d)(2): Procurement procedures will ensure that all solicitations “identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.”

<sup>17</sup> 2 CFR §200.319(d)(1)

for obtaining goods and supplies prior to issuance of an ITB.

❖ Purchasing Division Responsibilities: The Purchasing Division shall:

- a) Establish standard ITB documents to be used throughout SHA.
- b) Advertise all ITBs.
- c) Review and approve each ITB before it is sent to vendors to ensure that it is clear, consistent with requirements, and promotes competition.

❖ Solicitation Requirements

- a) ITBs will be publicly advertised in, but is not limited to, the Seattle Daily Journal of Commerce newspaper.<sup>18</sup>
- b) SHA encourages the use of WMBE and Section 3 firms as vendors.<sup>19</sup> Where possible, WMBE or Section 3 firm shall be solicited for each ITB.
- c) ITBs should be advertised and available for review by vendors for a sufficient length of time to provide vendors with adequate time to prepare and submit bids.<sup>20</sup>
  - The length of time shall be determined based on a number of factors, including but not limited to, the estimated dollar value of the work to be performed or goods provided, and the complexity of the procurement.
  - Generally, it is expected that ITBs will be advertised and available for review by vendors for 25 calendar days before bids are due. However, dependent upon the particular procurement, the Deputy Director of Procurement and Contracting may determine that adequate competition and preparation and submission of bids may be accomplished in a shorter period of time, and the 25 calendar day guideline may be adjusted appropriately.
  - The Deputy Director of Procurement and Contracting, in consultation with the applicable Department Director, shall make the final decision on the length of time an ITB is advertised.

❖ Evaluation and Award:

- a) Price shall be used as the evaluation criterion. This shall be identified in the ITB.

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<sup>18</sup> 2 CFR §200.320(b)(1)(ii)(A): "...the invitation for bids must be publicly advertised..."

<sup>19</sup> 2 CFR §200.321. See also SHA Policies On Diversity In Contracting.

<sup>20</sup> 2 CFR §200.320(b)(1)(ii)(A): The Invitation to Bid shall provide vendors with "sufficient response time prior to the date set for opening the bids"

- b) Department Directors shall ensure that an adequate and sufficient Cost Analysis or Price Analysis is conducted that demonstrates the reasonableness of the proposed contract amount (see SHA Procedures for Ensuring Reasonable Costs).<sup>21</sup>
  - c) Refer to SHA Procedures for Procurements with Sole Source, Emergency, and Single Response to a solicitation.
- ❖ Federal Contract Provisions: Federally funded contracts resulting from selection based on an Invitation to Bid shall contain, where applicable, contract provisions as required by 2 CFR §200.327.

#### 4. Request for Proposals

- ❖ Definition: A Request for Proposals (RFP) is a formally advertised<sup>22</sup> and competitive selection process used for obtaining services from a Service Provider that will cost more than \$250,000, and where the evaluation and selection of a vendor cannot be based on price alone,<sup>23</sup> but is based on established criteria<sup>24</sup> that include price and other factors.<sup>25</sup>
- ❖ When to Use RFPs: For purposes of these Policies, a Service Provider is defined as a Consultant and the requirements and processes for using an RFP for a Service Provider are outlined in SHA Procedures for Procurement of Consultant and Other Services - \$250,000 or Less.

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<sup>21</sup> 2 CFR §200.324(a)

<sup>22</sup> 2 CFR §200.320(b)(2)(i): "Requests for proposals must be publicized..."

<sup>23</sup> 2 CFR §200.320(b)(2): "Proposals are generally used when conditions are not appropriate for the use of sealed bids."

<sup>24</sup> 2 CFR §200.320(b)(2)(i): "Requests for proposals must...identify all evaluation factors and their relative importance."

<sup>25</sup> 2 CFR §200.320(b)(2)(iii): "Contracts must be awarded to the responsible offeror whose proposal is most advantageous to the non-Federal entity, with price and other factors considered;"



## **SEATTLE HOUSING AUTHORITY**

### **DIRECT PAYMENTS LIST**

This Direct Payments list (also known as Competitive Exceptions) is a list of transactions, which, by the nature of the transaction, are impractical or impossible to competitively bid because of market or other conditions, and are thus exempt from competitive bidding requirements. These transactions do not have to be justified as a Non-Competitive Procurement (see Section 5.5) but may be obtained directly by an employee with adequate expenditure authority. Depending on the item, there may or may not be a contract or Purchase Order outlining the terms and conditions of the procurement. This Direct Payments List is established for the Seattle Housing Authority (“SHA”) in support of SHA’s Procurement Policy and in accordance with applicable laws and regulations

The following items are included on the Direct Payments List as of November, 2023:

- ❖ Utility bills (water, sewer, electricity, natural gas, waste removal, telephone and other similar expenses).
- ❖ Postage and other purchases from the USPS.
- ❖ Licenses, permits, and fees from governmental or regulatory entities at the federal, state or local level.
- ❖ Purchases from other governmental entities (federal, state, city, local, port districts, housing authorities, state colleges and universities, state hospitals, etc.) where governmental entity provides goods or services not available from the private sector.
- ❖ Emergency housing for Agency residents at motels/hotels.
- ❖ Service or use fees paid to governmental cooperative purchasing organizations.
- ❖ Charges for gasoline and diesel.
- ❖ Charges for official Agency business and personal credit card while on Agency travel status.
- ❖ Legal services such as arbitration fees, litigation fees, witness fees, court costs, and related expenses (but not the cost of outside counsel, investigations, or related matters).
- ❖ Legal settlements of disputed matters, and judgment claims against SHA.

- ❖ Payments for existing annual maintenance, service, or support agreements for computer and telecommunications services. Payments for existing software license agreements.
- ❖ Traffic control (flagging) or security services by off-duty police.
- ❖ Travel expenses for Agency employees, residents, program participants, volunteers, or members of the Board of Commissioners necessary to conduct Agency business.
- ❖ Training registration fees and tuition for preestablished, non-Agency specific, off-site classes, seminars, workshops, etc. for Agency employees, residents, program participants, volunteers and members of the Board of Commissioners.
- ❖ Testing and travel expenses of employment applicants (including moving expenses for eligible personnel). This includes travel expenses of certain out-of-state job applicants. Travel expenses of job applicants must be approved by the Department Director.
- ❖ Conference and convention expenses and fees for Agency employees, residents, program participants, volunteers and members of the Board of Commissioners.
- ❖ Advertisements for employment opportunities, purchasing and contracting solicitations, sale of surplus items, public announcements and outreach, etc. (all media). This exception does not include printing, design, or graphics services.
- ❖ Freight bills, express shipping, common carriers and delivery services.
- ❖ Insurance deductible and/or retained losses.
- ❖ Taxi, public transportation and toll fares: mileage and incidental parking expenses.
- ❖ Publications and subscriptions (e.g., newspapers, magazines, books, etc).
- ❖ Mailing lists.
- ❖ Professional association membership dues, fee, licenses, accreditation, and certifications.
- ❖ Royalties, broadcast rights, and film rentals from the producer or protected distributors.

## **SEATTLE HOUSING AUTHORITY**

### **OTHER PROCUREMENT PROCEDURES**

These procedures for other procurement methods are established for the Seattle Housing Authority (“SHA”) in support of SHA’s Procurement Policy and in accordance with applicable laws and regulations.

#### **1. Non-Competitive Procurements**

- ❖ Restricting Competition Prohibited
- ❖ Permissive Non-Competitive Procurements
- ❖ Justifications
- ❖ Emergency Procurement Process

#### **2. Cooperative Intergovernmental Agreements**

- ❖ General Policy
- ❖ Government Competition with Private Sector

#### **3. Concessions**

- ❖ Competitive Selection Process
- ❖ Objectives of Competition
- ❖ Waiver of Competition

## 1. Non-Competitive Procurements

### ❖ Restricting Competition Prohibited

All procurement transactions must be conducted in a manner providing full and open competition (2 CFR §200.319). Situations considered to be restrictive of competition include but are not limited to:

- a. Unreasonable Requirements: “Placing unreasonable requirements on firms in order for them to qualify to do business.”<sup>1</sup>
- b. Experience and Bonding: “Requiring unnecessary experience and excessive bonding.”<sup>2</sup>
- c. Non-Competitive Pricing Practices: “Noncompetitive pricing practices between firms or between affiliated companies.”<sup>3</sup>
- d. Certain Retainer Contracts: “Noncompetitive contracts to consultants that are on retainer contracts.”<sup>4</sup>
- e. Conflict of Interest: “Organizational conflicts of interest.”<sup>5</sup>
- f. Brand Name Specificity: “Specifying 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.”<sup>6</sup>
- g. Arbitrary Actions: “Any arbitrary action in the procurement process.”<sup>7</sup>

### ❖ Permissible Non-Competitive Procurements

In certain instances and situations, the procurement of goods and services without adequate competition is permissible:

- a. Sole Source: The service or item “is available only from a single source,”<sup>8</sup> based on a documented good faith review of available sources.
- b. Below Micro-purchase Threshold: “The acquisition of property or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold” under 2 CFR 200.320(a)(1).<sup>9</sup>

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<sup>1</sup> 2 CFR §200.319(b)(1)

<sup>2</sup> 2 CFR §200.319(b)(2)

<sup>3</sup> 2 CFR §200.319(b)(3)

<sup>4</sup> 2 CFR §200.319(b)(4)

<sup>5</sup> 2 CFR §200.319(b)(5)

<sup>6</sup> 2 CFR §200.319(b)(6)

<sup>7</sup> 2 CFR §200.319(b)(7)

<sup>8</sup> 2 CFR §200.320(c)(2)

<sup>9</sup> 2 CFR §200.320(c)(1)

- c. **Emergency:** An emergency exists that seriously threatens the public health, welfare, or safety, endangers property, or would otherwise cause serious injury to SHA, as may arise by reason of a flood, earthquake, epidemic, fire, riot, equipment failure, or similar event, and the needs “will not permit a delay resulting from publicizing a competitive solicitation.”<sup>10</sup> For more details, refer to the “Emergency Procurement Process” below.
- d. **Inadequate Competition:** After solicitation from a number of sources, competition is determined to be inadequate.<sup>11</sup>
- e. **HUD Authorization:** HUD has authorized a non-competitive process.<sup>12</sup>

❖ Justifications

- a. **Selection:** Department Directors shall submit in writing to the Deputy Director of Procurement and Contracting a recommendation justifying the reasons why competitive selection requirements should be waived.
- b. **Price Reasonableness:** Consistent with the requirements of SHA procedures for ensuring reasonable costs, Department Directors are responsible for ensuring that a Cost Analysis is prepared for all non-competitive procurements.

❖ Emergency Procurement Process

- a. During an emergency response, procurement shall be limited to those materials, services, or construction **necessary** to satisfy the emergency need.
- b. ***Project managers should consider whether using non-emergency procurement processes or existing contracts can satisfy emergency needs.*** Some examples of SHA standard procurement processes and existing contracts potentially suitable for emergency situations are:
  - **On-Call/Master Contracts (Plumbing/Fire Damage, etc.)**  
In the case of procuring consulting services, project managers should first check if there is any currently contracted On-Call firm that could do the work. If not, they should initiate a Request for Contract Assignment (RFCA) on PMWeb with documents and information listed in the applicable checklist under subsection e) below.
  - **Co-operative Contracts**

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<sup>10</sup> 2 CFR §200.320(c)(3)

<sup>11</sup> 2 CFR §200.320(c)(5)

<sup>12</sup> 2 CFR §200.320(c)(4). Exemptions to competitive bidding requirements under Washington State law are listed under RCW 39.04.280.

In the case of procuring goods, project managers should first check if there is any existing SHA or cooperative contracts. If not, follow the purchase order process on E1 to procure the goods needed.

- Job Order Contracts (JOC)
  - Other standard process for \$10,000 or under procurement.
- c. For every procurement deemed an emergency, the Deputy Director of Procurement and Contracts will assign a Contract Administrator who will be the point-of contact for all matters related to that procurement.

The Contract Administrator shall ensure any proposed contractor is responsible and is permitted to contract with SHA (e.g., review of [RCW 39.04.350 \(1\) \(responsibility of a firm prior to contract award\) and applicable licensing requirements](#)). The Contract Administrator shall obtain all documentation required as well as other information deemed relevant to the procurement and the resulting contract.

- d. Document Checklist: information or documents to be provided by the project manager to the Contract Administrator in case of emergency procurement should include the following:
- Emergency Procurement of Construction Work and Consulting Services  
***Note: For consulting services, use the checklist below when there is no currently contracted On-Call firm could do the work.***
    - A. Form 1152:
      - Scope of Work and Price
      - Justification
      - Cost/Price Analysis
    - B. Other information and documentation required to initiate RFCA on PMWeb
  - Emergency Procurement of Other Types of Services and Goods
    - A. Form 1152:
      - Scope of Work and Price
      - Justification
      - Cost/Price Analysis
    - B. If procuring services, verify the following information
      - applicable tax
      - applicable additional insurance requirement
      - applicable license or certificate
      - Section 3 business concern
    - C. Other information and documentation required to initiate PO process on E1

## **2. Cooperative Intergovernmental Agreement**

### **❖ General Policy**

To promote efficiency and competition in the procurement of goods and services, SHA may enter into agreements with other governmental agencies and regional or national intergovernmental purchasing networks or associations. The purpose of a cooperative intergovernmental agreement is to take advantage of a competitive selection process already conducted by another agency and thus save SHA the time and expense of conducting its own selection process. In evaluating the use of a cooperative intergovernmental agreement, the Deputy Director of Procurement and Contracting shall review for reasonableness the standards in the competitive selection process conducted by the other agency.<sup>13</sup>

### **❖ Government Competition with Private Sector**

SHA may enter into an intergovernmental agreement with another government agency to procure goods and services when the agency provides goods or services not available from the private sector. In the event the private sector also offers such goods or services, the Executive Director or his/her designee shall evaluate on a case-by-case basis what would be in the best interests of SHA, and whether to contract directly with the agency or to conduct a competitive selection process.<sup>14</sup>

## **3. Concessions**

### **❖ Competitive Selection Process**

In selecting concessionaires for various SHA revenue-producing activities, including but not limited to vending and laundry machines operation, parking lot management, cellular and other communication antenna space leases, etc., SHA shall generally conduct a competitive selection process similar to those outlined for RFPs.

### **❖ Objectives of Competition**

While SHA is committed to a competitive selection process to help ensure openness in notifying concessionaires about business opportunities, SHA's primary objective in

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<sup>13</sup> 2 CFR 200.318(e) ("To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across the Federal Government, the non-Federal entity is encouraged to enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services. Competition requirements will be met with documented procurement actions using strategic sourcing, shared services, and other similar procurement arrangements.").

<sup>14</sup> HUD Procurement Handbook, 7460.8 REV 2, Chapter 14. Cooperative Business Relationships, page 14-1, Section 14.2, A.1.: "Before utilizing an interagency agreement for procurement, the PHA should compare the cost and availability of the identified supplies or services on the open market with the cost of purchasing them through another unit of government to determine if it is the most economical and efficient method;"

conducting a competitive selection process shall be to ensure that SHA's objectives of revenue generation and service delivery are met.

❖ Waiver of Competition

On a case-by-case basis, the Chief Financial Officer may decide whether a competitive selection process shall be required for selecting a concessionaire.



## **SEATTLE HOUSING AUTHORITY**

### **PROCEDURES FOR COMPANY CARDS AND PETTY CASH MANAGEMENT**

These procedures for company cards and petty cash management are established for the Seattle Housing Authority (“SHA”) in support of SHA’s Procurement Policy and in accordance with applicable laws and regulations.

#### **1. Purchasing Cards**

- ❖ Approval by Executive Director
- ❖ Administrative Responsibilities
- ❖ Changes in Employee Status
- ❖ Purchasing Card Holder Responsibilities
- ❖ Supervisory Review Responsibilities
- ❖ Audit

#### **2. Corporate Credit Cards**

- ❖ Approval by Executive Director
- ❖ Administrative Responsibilities
- ❖ Changes in Employee Status
- ❖ Corporate Credit Card Holder Responsibilities
- ❖ Supervisory Review Responsibilities
- ❖ Audit

#### **3. Gas Cards**

- ❖ Gas Car Custodian
- ❖ Authorization for Gas Cards
- ❖ Personal Identification Numbers
- ❖ For Official SHA Business Only
- ❖ Security of Gas Cards
- ❖ Restrictions on Use

#### **4. Petty Cash**

- ❖ Account Establishment
- ❖ Non-Repetitive Purchases
- ❖ Authorized Usage
- ❖ Security
- ❖ Reconciliation
- ❖ Audit

## 1. Purchasing Cards

SHA has authorized that certain employees be issued bank-sponsored VISA credit cards (Purchasing Cards) in SHA's name, in order to expedite the purchasing and payment process and reduce the administrative costs of small purchase transactions.

### ❖ Approval by Executive Director

- a) **Delegated Purchasing Authority:** Because the use of Purchasing Cards represents delegated purchasing authority, only the Executive Director (or acting Executive Director) may authorize an employee to be issued a Purchasing Card. Such approval shall be upon the written recommendation of the Department Director, on a form to be determined by the Deputy Director of Procurement and Contracting.
- b) **Dollar Thresholds:** In authorizing a Purchasing Card, the card limits per transaction and for monthly expenditures shall be appropriate to the duties, responsibilities, and authority of the individual employee. In general, the standard limits for transactions shall be \$300 per transaction and \$2,000 per month, unless higher limits are authorized through the Executive Director's annual review and approval of delegation of expenditure authority or through a temporary increase in expenditure authority as provided in the next subsection (Administrative Responsibilities) under "d) Temporary Dollar Threshold Changes".
- c) **Supervisory Review of Transactions:** In approving the issuance of a Purchasing Card to an individual employee, the Executive Director automatically authorizes that individual's supervisor to review and approve the employee's monthly expenditures with the Purchasing Card.
- d) **Expenditure Authorization:** In approving the issuance of a Purchasing Card to an individual employee, the Executive Director automatically approves Expenditure Authority for the employee in the amount of the per transaction threshold for the Purchasing Card, consistent with the SHA procedures on Expenditure Authority.

### ❖ Administrative Responsibilities

- a) **Deputy Director of Procurement and Contracting:** The Deputy Director of Procurement and Contracting shall be responsible for managing the Purchasing Card program on behalf of SHA, and may delegate certain administrative functions to Purchasing Division staff.
- b) **Blocked Merchant Category Codes:** The Deputy Director of Procurement and Contracting shall ensure that inappropriate Merchant Category Codes (MCCs) are not available to Purchasing Card holders. Upon written request and justification by a Department Director to unblock MCCs for an employee in order to meet legitimate business needs, the Deputy Director of Procurement and Contracting shall direct the bank issuing the cards to make the necessary changes.

- c) Dollar Thresholds Changes: Request for changes to a Purchasing Card holder's permanent per transaction or per month threshold may be requested by submittal from the Department Director of an approved Expenditure Authorization Form and justification to the Deputy Director of Procurement and Contracting. If approved by the Deputy Director of Procurement and Contracting, the request will be submitted to the Executive Director for approval or rejection of the request in writing. Approval of temporary changes in expenditure authority of less than a week are delegated to the Deputy Director of Procurement and Contracting as provided in subsection (d) "Temporary Dollar Threshold Changes" below.
- d) Temporary Dollar Threshold Changes: A Department Director may request a temporary (less than one week for the per transaction threshold) change to a Purchasing Card holder's per-transaction threshold or per-month threshold, by forwarding a written request and justification to the Deputy Director of Procurement and Contracting. The request shall state the reasons for the change and the date on which the original threshold should be reinstated. The Deputy Director of Procurement and Contracting shall make the final decision on such requests.
- e) Cancellation of Purchasing Cards: A Department Director, for an employee under his/her supervision, or the Chief Financial Officer or the Deputy Director of Procurement and Contracting for any employee, may cancel the Purchasing Card of an employee for good and sufficient reasons.

❖ Changes in Employee Status

- a) Employee Transfers to a Different Position in the Same Department: If a Purchasing Card holder takes a different position in the same department, the Department Director shall evaluate whether the employee's new position still requires the use of a Purchasing Card. If the Purchasing Card is no longer required, the Department Director shall contact the Deputy Director of Procurement and Contracting to have the card cancelled.
- b) Employee Transfers to Different Department or Terminates from SHA: In the event a Purchasing Card holder takes a position in another department or terminates their employment with SHA, the Purchasing Card shall be cancelled unless the receiving Department Director requests that it be retained. It shall be the responsibility of the sending Department Director to notify the Deputy Director of Procurement and Contracting of such Purchasing Cards to be cancelled.

❖ Purchasing Card Holder Responsibilities

- a) Compliance with Requirements: Purchasing Cardholders are responsible for knowing and complying with the Procurement Policy, these procedures governing use of Purchasing Cards, and applicable procurement requirements, including compliance with applicable solicitation dollar limits and requirements.

- b) Obtaining Reasonable Prices: Purchasing Card holders are responsible for ensuring that the prices paid for their purchases are reasonable, and that, where appropriate, price comparisons are obtained.<sup>1</sup>
- c) For Official SHA Business Only: Purchasing Card holders may use Purchasing Cards for official SHA business only. Personal use of the Purchasing Card is strictly prohibited, and may subject an employee to disciplinary action.
- d) Prohibited Uses: Purchasing Cards may not be used for the following:
- Cash advances from financial institutions;
  - Purchase of equipment, material, or supplies restricted by policies, guidelines or contractual agreements such as fuel and food and beverages (Note: Some incidental purchases of light refreshments (food and beverages) are permitted as long as the purchases are incidental and related to the conduct of official SHA business such as an SHA-sponsored community or resident meeting)
  - Travel and travel-related expenses such as lodging, meals, and transportation.
- e) Splitting Transactions Prohibited: In establishing per-transaction and per-month thresholds for the use of Purchasing Cards, it is SHA's policy that Purchasing Card holders shall not deliberately split a purchase in order to obtain goods or services that are in excess of the approved thresholds. On a case-by-case basis, with the written approval of the Department Director and the Deputy Director of Procurement and Contracting, established thresholds may be increased for certain individuals with specific and unique purchasing needs.
- f) Security of Purchasing Cards: Purchasing Card holders must safeguard their Purchasing Card against loss, theft, and unauthorized use. No Purchasing Card holder may loan their card or give their card number to any other individual. Each Purchasing Card holder is responsible for the security of his/her card at all times. In order to minimize liability for unauthorized use, the card holder must report a lost or stolen card immediately.
- g) Record Keeping and Monthly Reconciliation: Each Purchasing Card holder shall keep receipts, invoices, or other appropriate documentation for all purchases made with the Purchasing Card. On a monthly basis, each Purchasing Card holder must file a report (on a form to be provided by the Deputy Director of Procurement and Contracting) of all transactions made with the card, and reconcile transactions made with those reported on the bank statement. Reports are due no later than the 10th of the following month to the Purchasing Department. If the Purchasing Card holder misses this deadline his/her card may be put on temporary suspension until the documentation is received by the

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<sup>1</sup> 2 CFR §200.320(a)(2)(i). This regulation requires that "if small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources..."

Purchasing Department. The Deputy Director of Procurement and Contracting, at his/her discretion, is entitled to suspend purchasing cards for up to two months for any Purchasing Card holders who turn in their reports past the due date twice within one year. If after reinstatement the Purchasing Card holder is late with his/her reports within the next twelve-month period, the Deputy Director of Procurement and Contracting is entitled to terminate the employee's purchasing card privileges. If the Purchasing Card holder does not receive his/her bank statement by the end of the month of the statement period the employee is to notify the Accounts Payable section or Purchasing to obtain an electronic copy of the statement.<sup>2</sup>

- h) **Disputes and Discrepancies:** Purchasing Card holders are responsible for reporting disputes and discrepancies of charges to the bank sponsoring the Purchasing Card and following through to resolve the issue, and for notifying the SHA Accounts Payable section of such issues.
  - i) **Disciplinary Actions:** Purchasing Card holders who violate the Procurement Policy or the terms of the procedures established by SHA may be subject to disciplinary action, including, without limitation, being held personally responsible for any charges incurred, suspension or termination of Purchasing Card privileges.
- ❖ **Supervisory Review Responsibilities:** Supervisors are responsible for reviewing monthly reports of usage of Purchasing Cards by employees reporting to them to determine that the expenditures are valid and necessary for the conduct of SHA business and that the purchases made were not for the personal use of any individual.
  - ❖ **Audit:** Purchasing Card transactions are subject to audit for compliance with all applicable laws and regulations. Records must be available for audit on request. The Purchasing Department will maintain the source documentation for all purchases made using the Purchasing Card, but card holders may be called upon to respond to questions concerning any transactions.

## **2. Corporate Credit Cards**

This section contains the policies and procedures for the use of the Corporate Card, a bank sponsored credit card, generally reserved for Department Directors and selected Executive Assistants to Department Directors. Other management staff may be designated by the Executive Director to use a corporate credit card. Other selected staff

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<sup>2</sup> Note: Purchasing Card Holders may print their statements off the Bank website when they reconcile their account on-line. US Bank Access Online provides a real-time, current transaction list so the Purchasing Card Holders may even reconcile their charges in advance of the statement closing date and receiving the official statement. The following site includes instructions on accessing accounts online: [US-Bank-Online-User-Guide.pdf \(sharepoint.com\)](#)

may be authorized to access a central travel account provided by the sponsoring bank in lieu of the issuance of a corporate credit card.

These credit cards are issued for SHA business purposes and to expedite the purchasing and payment process and to reduce the administrative costs of small purchase transactions, principally made in conjunction with travel or other authorized business conducted on behalf of the Agency. Examples of authorized business include, but are not limited to, memberships or subscriptions, eligible food and beverage purchases for Agency sponsored events, facility rental and catering for Agency events, as well as training related registrations and materials procurement. Credit card usage must comply with all applicable policies and procedures, including but not limited to SHA's procurement, accounting, and travel requirements.

❖ Approval by Executive Director

- a) **Delegated Purchasing Authority:** The Executive Director is authorized to establish a Corporate Card Program for SHA. Under this Program, the Executive Director may authorize the issuance of Corporate Cards, or access to a central travel account established for SHA by a financial institution, to Executive Department members and to Department Directors, and other staff, as deemed appropriate by the Executive Director. Issuance of the Corporate Card to staff other than Executive Department members and to Department Directors shall be limited to staff whose duties are in direct support of the Executive Department and Department Directors. Request for the Corporate Card for all cardholders shall be approved via the credit card application process administered by the Finance and Administration Department's Purchasing Division.
- b) **Card Limits:** In authorizing Corporate Cards, the card limits for individual transactions and for monthly expenditures shall be appropriate to the duties, responsibilities, and authority of the individual employee. As a rule, the per transaction credit limit shall be \$5,000, with a monthly transaction limit of \$20,000; provided, however, that the Executive Director may approve amounts in excess of these limits if appropriate; provided, that in no event shall the monthly limit exceed \$50,000. A listing of the authorized individuals holding Corporate Cards, as well as their respective per transaction and per month limits, shall be provided to the Board of Commissioners in an annual report of purchasing authorization levels.
- c) **Review of Transactions:** In approving the issuance of a Corporate Card to an individual employee, the Executive Director also directs the employee's supervisor to review and approve the employee's monthly Corporate Card expenditures. The Executive Director is entitled to review and approve the expenditures of any Corporate Card holders. The Executive Director's monthly expenditures shall be reviewed and approved by the Chair of the Board of Commissioner's.

❖ Administrative Responsibilities

- a) Deputy Director of Procurement and Contracting: The Deputy Director of Procurement and Contracting shall be responsible for managing the Corporate Card program on behalf of SHA, and may delegate certain administrative functions to Purchasing Division staff.
- b) Administrative Duties of the Purchasing Division shall include, but are not limited to, the following:
  - Developing policies and procedures for the credit card program.
  - Maintaining a list of SHA's cardholders and assigned credit limits.
  - Serving as liaison to issuing banks and SHA concerning credit card program issues, such as credit card ordering, cancellation, disbursement, etc.
  - Informing cardholders of requirements for participating in credit card program, including reporting requirements, eligible expenditures, and expenditure documentation requirements.
  - Selectively and/or randomly auditing cardholder transactions.
- c) Credit Limit Changes: Credit limits and other controls are established when the card is authorized and approved by the Executive Director. If card limits are preventing staff from performing job responsibilities, an approved Expenditure Authorization Form and justification for a temporary or permanent increase may be sent to the Deputy Director of Procurement and Contracting. The request shall state the reasons for the change and, if the request is for a temporary change in credit limits, the date on which the temporary increase shall expire and original limits reinstated. The Deputy Director of Procurement and Contracting shall make the final decision on temporary requests, provided no single transaction exceeds \$50,000 and no temporary request shall be for more than one month. Permanent changes and temporary changes in excess of \$50,000 shall require approval of the Executive Director in advance.
- d) The Purchasing Department: The Purchasing Department shall be responsible for reviewing monthly statements submitted by Corporate Card holders to ensure compliance with applicable accounting, travel, and procurement requirements.
- e) Suspension/Cancellation of Cards: The Executive Director, Department Directors, the Chief Financial Officer, or the Deputy Director of Procurement and Contracting may suspend or cancel the Corporate Card of an employee for good and sufficient reasons. Any such suspension or cancellation shall be in writing to the affected employee with a copy to the Deputy Director of Procurement and Contracting. The Executive Director may reinstate a suspended or cancelled card; provided that the reinstatement shall be in writing and shall include the reasons therefor.

❖ Corporate Credit Cardholder Responsibilities

- a) Compliance with Requirements: It is the cardholder's responsibility to: (1) use the card for official SHA business only; and (2) know and comply with SHA Policies

and procedures governing use of the Corporate Card, including observance of any applicable purchasing solicitation dollar limits and requirements and SHA's travel regulations (Travel Policy). If the cardholder has questions concerning any requirement, he/she shall seek guidance in advance. Unless the cardholder knows the expenditure is an eligible and proper SHA business expense, he/she will not use the card for the purchase or procurement. If a purchase or procurement is necessary and there is no opportunity for advance consultation, the cardholder shall proceed cautiously and conservatively. If the cardholder is uncertain as to the documentation required to substantiate an expense, he/she will obtain a detailed itemized bill/invoice for the expense, including for meal costs.

- b) Inappropriate Uses: Corporate Cards may not be used for the following<sup>3</sup>:
- For personal uses of any kind. No staff may use a corporate credit card for personal expenditures, even with the intent of repaying SHA for the expense. Meals while traveling on SHA business are not considered personal expenses, but do require itemized receipts be submitted;
  - For expenditures associated with a person or organization who is not an SHA employee or with whom SHA is not doing business;
  - For cash advances from financial institutions or ATM's;
  - For purchases that are prohibited or otherwise restricted by policies, guidelines, or other rules or regulations.
- c) Change in Employee Status: The Deputy Director of Procurement and Contracting shall be notified of any change in employee status.
- d) Security of Corporate Cards: Each Corporate Cardholder is responsible for the security of his/her card at all times. Corporate Card holders must safeguard their Corporate Card against loss, theft, and unauthorized use. No Corporate Cardholder may loan their card or give their card number to any other individual. In order to minimize liability for unauthorized use, the Cardholder must report a lost or stolen card immediately by contacting the bank and notifying Purchasing and the Accounts Payable section.
- e) Record Keeping and Monthly Reconciliation: The Cardholder shall reconcile transactions made with those reported on the bank statement sent directly to the Cardholder. Reports are due no later than the 10th of the month following receipt of a bill to the Purchasing Department. The Cardholder shall ensure that his/her report of transactions is reviewed and approved by the appropriate reviewers, e.g., supervisor or other designee. If the Cardholder repeatedly misses this deadline or fails to submit the required receipts for reconciliation, his/her card may be put on temporary suspension until the documentation is received by the Purchasing Department. For travel purchases, each Cardholder shall follow the travel policies and procedures for completing and submitting travel expense reports, which shall include keeping itemized receipts, invoices, or other appropriate documentation for all travel related purchases made with the Corporate Card. Expenses not supported by itemized receipts shall only be reimbursed with the written approval

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<sup>3</sup> For travel related purchases, Cardholders are advised to consult SHA travel policy to ensure purchases are allowable travel expenditures.



of the Executive Director. On a monthly basis, each Cardholder must file his/her travel expense report and other reports and receipts with the Accounts Payable section documenting all transactions made with the card. (NOTE: Cardholders can access their web-based statement any time during the month. Although they are only required to reconcile monthly, more frequent reconciliation is both possible and strongly encouraged. (Refer to the Online instructions for information on accessing cardholder's account on-line.)

- f) Disputes and Discrepancies: Corporate Card holders are responsible for reporting disputes and discrepancies of charges to the bank sponsoring the Corporate Card and for following through to resolve the issue, and for notifying the SHA Accounts Payable section of such issues as well as Purchasing.
  - g) Violation of Policies: Corporate Card holders who violate these Policies or procedures shall be personally responsible for any charges incurred, and may be subject to suspension or termination of Corporate Credit Card privileges, and/or may be subject to disciplinary action.
- ❖ Supervisory Review Responsibilities: Supervisors or others designated are responsible for reviewing monthly reports of usage of Corporate Cards to determine that the expenditures are valid and necessary for the conduct of SHA business.
  - ❖ Audit: Corporate Card transactions are subject to audit for compliance with all requirements of SHA's Credit Card program and procedures. Records must be available for audit on request. While Accounting will maintain the source documentation for all purchases made using the Corporate Card, cardholders may be called upon to respond to questions concerning any transactions.

### 3. GAS Cards

- ❖ Gas Card Custodian: The Chief Financial Officer and the Contracting and Procurement Manager shall appoint an employee within the Purchasing Department to serve as Gas Card Custodian to administer SHA's Gas Card program. The Gas Card Custodian shall be responsible for the activating, deactivating, and canceling of all Gas Cards upon proper authorization.
- ❖ Authorization for Gas Cards: Gas Card authorization for an employee must be requested in writing (an email request is sufficient) to the Gas Card Custodian by the employee's supervisor.
- ❖ Personal Identification Numbers: The Gas Card Custodian shall assign a Personal Identification Number (PIN) to each Gas Card holder or employee authorized to use a vehicle-based Gas Card. Employees are responsible for keeping their PIN confidential and not sharing it with anyone else.

- ❖ For Official SHA Business Only: Employees with a Gas Card PIN may use the Gas Card for official SHA business only. Personal use of the Gas Card is strictly prohibited, and may subject an employee to disciplinary action.
- ❖ Security of Gas Cards: Gas Cards issued to employees may not be loaned to any other individual and must be kept secure at all times. For Gas Cards issued to SHA vehicles, employees using the SHA vehicles are responsible for the security of the Gas Card issued to the vehicles.
- ❖ Restrictions on Use: Acceptable charges with the Gas Card include fuel, oil, and small routine maintenance items such as bulbs and wipers not exceeding \$15.00. Gas Cards may also be used to respond to vehicle emergencies when done through the National Auto Club's Municipal Fleet Rescue Program. Gas Cards may not be used for major purchases, service, or parts exceeding \$15.00.

#### 4. Petty Cash

Small purchases under \$250 may be made through the use of petty cash. The Controller will ensure that the following policy objectives are met:

- ❖ Account Establishment: A petty cash account should be established in an amount sufficient to cover small purchases made during a reasonable period (e.g., one month).
- ❖ Non-Repetitive Purchases: Petty cash purchases should be kept to a minimum and should not be used for repetitive purchases.
- ❖ Authorized Usage: Petty cash may be used for items such as:
  - a) Reimbursement to employees for the purchase of goods or services.
  - b) Reimbursement to employees for meals and fees paid for attending a pre-approved professional association meeting.

**Note:** tax associated with these purchases is excluded and not reimbursed.

- ❖ Security: The security of the petty cash account shall be maintained, and access to the account should be limited only to authorized individuals.
- ❖ Reconciliation: The petty cash account shall be periodically reconciled and replenished.

- ❖ Audit: The petty cash account is subject to audit by the Controller or other authorized individuals.

## **SEATTLE HOUSING AUTHORITY**

### **PROCEDURES FOR DISPUTES, PROTESTS AND APPEALS**

These procedures for disputes, protests and appeals are established for the Seattle Housing Authority (“SHA”) in support of SHA’s Procurement Policy and in accordance with applicable laws and regulations.

#### **1. General**

#### **2. Filing Deadlines**

- ❖ Solicitations
- ❖ Awards

#### **3. Form and Content of Protests**

#### **4. SHA’s review of Protests**

#### **5. Manner of Notices**

#### **6. Contractual Claims and Disputes**

## 1. General

Unless otherwise specified, in this procedure the term “protest” also includes disputes and appeals. Failure to comply with the procedures set forth herein may render a protest untimely or inadequate and may result in the denial of consideration by SHA.

SHA shall attempt to resolve all procurement-related (solicitation, award, and contractual) protests internally without outside review by either HUD or the court system. It is HUD’s policy, and the requirement of [2 CFR §200.318\(k\)](#), that HUD not substitute its judgment for SHA’s in the resolution of protests unless the matter is primarily a Federal concern.

SHA’s purchasing department has the responsibility to review and decide on any protests to the procurement process. Except as otherwise set forth in these procedures, the Director of Procurement and Contracts is responsible for ensuring the coordination, hearing, and decision upon all bidding and selection related protests and appeals.

## 2. Filing Deadlines

- ❖ Solicitations: Any protest against a solicitation issued by SHA must be received by the Director of Procurement and Contracts before the bid or proposal submittal deadline.
- ❖ Awards:
  - a) Any protest against the award of a contract based on an ITB must be received by the Director of Procurement and Contracts no later than two (2) full business days after the bid submittal deadline, or before award of the contract, whichever is later. As required by [RCW 39.04.105 \(2\)](#), SHA shall not execute a contract “with anyone other than the protesting bidder without first providing at least two (2) full business days’ written notice” of SHA’s “intent to execute a contract for the project.”
  - b) Any appeal of a decision by SHA to reject a bid submitted in response to an ITB must be received by the Director of Procurement and Contracts within two (2) business days after being notified in writing of SHA’s decision.
  - c) Any protest against the award of a contract based on an RFP or RFQ or an appeal of a decision by SHA to reject a proposal must be received by the Director of Procurement and Contracts within three (3) business days after notification to an unsuccessful proposer that they were not selected.
  - d) Any protest against the award of a contract based on an informal solicitation must be received by the Director of Procurement and Contracts prior to award. Consistent with the nature of the informal process contemplated by [2 CFR §200.320\(a\)](#), it shall be the responsibility of contractors, consultants, and vendors to call SHA regarding the status of a contract award.

### **3. Form and Content of Protests**

All protests must be in writing, signed, and explain in sufficient detail (including any reasonably necessary attachments, documents, or supporting information) the basis of the protest. For protests sent by electronic transmission, the subject line of the electronic transmission must clearly identify that it involves a protest, and it must clearly identify the contract or solicitation to which the protest applies.

### **4. SHA's Review of Protests**

SHA's Director of Procurement and Contracts shall review and investigate properly and timely filed protests and issue a written decision to the protestor.

Any appeal of a formal decision by the Director of Procurement and Contracts must be received within two (2) business days of receipt of such formal decision. Appeals of a formal decision will be reviewed and investigated by the Chief Financial Officer who shall issue SHA's final decision. When SHA determines, pursuant to [RCW 39.04.350](#), that a bidder is not responsible, SHA will not execute a contract with any other bidder until two (2) business days after the bidder determined to be not responsible has received written notice of SHA's final decision.

### **5. Manner of Notices**

All protests, decisions, and other notices must be delivered in person, by overnight delivery with a nationally recognized overnight courier that provides a receipt, by mail in the United States mail postage prepaid, certified, or by electronic mail transmission.

Notices are deemed given:

- a. upon actual receipt (or attempted delivery if delivery is refused), if personally delivered,
- b. one (1) business day following deposit for overnight delivery with a nationally recognized overnight courier that provides a receipt,
- c. on the third (3<sup>rd</sup>) day following deposit in the United States mail in the manner described above, or
- d. on the same day when sent by electronic mail transmission provided the transmission is sent prior to 4:30 PM Pacific Standard Time. If sent on or after 4:30 PM Pacific Standard Time, the notice will be deemed given on the next business day.

The address for notices for SHA is:

Housing Authority of the City of Seattle  
Attn: Purchasing Department  
101 Elliott Avenue W,  
Suite 100  
PO Box 79015  
Seattle, WA 98119

Email: [purchasing@seattlehousing.org](mailto:purchasing@seattlehousing.org)

## **6. Contractual Claims and Disputes**

In accordance with [2 CFR §200.318\(k\)](#), SHA is responsible for the handling and resolution of all contractual claims and disputes according to the requirements and procedures outlined in each contract. Violations of law will be referred by SHA to the local, state, or Federal authority having proper jurisdiction.