



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")¹.

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 Procurement and Contracts Manager 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 Procurement and Contracts Manager 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.

¹ 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.

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1. Expenditure Authority

1.010 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). Expenditure Authorization is required for access to Enterprise One and Inspyrus. Expenditure Authority includes the following responsibilities:

- a. To make project and programmatic decisions.
- b. To recommend entering into a contract, executing a Change Order, or approving a Purchase Requisition.
- c. To approve for payment expenditures on the Direct Payments list (items not subject to competition).
- d. To carefully read and review applicable documents for accuracy and appropriateness.
- e. To coordinate actions with other SHA employees and outside parties as may be appropriate.
- f. To work with the Budget Office to ensure that adequate funds have been budgeted and are available for the proposed expenditure.
- g. 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).
- h. To act diligently in placing a priority on protecting SHA's financial and other interests.
- i. To comply with SHA's Procurement Policy and Procurement Procedures, including requirements related to ethical behavior.

1.020 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 or the Chief Financial Officer:

- 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 Procurement and Contracts Manager 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 Procurement and Contracts Manager 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 Procurement and Contracts Manager 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 Procurement and Contracts Manager. All recommendations to the Procurement and Contracts Manager 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 Procurement and Contracts Manager shall review the recommendation and shall, if appropriate, approve the release of the solicitation. The Procurement and Contracts Manager 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 Policy and Procedures and be signed by an individual with Expenditure Authority for the estimated or actual award amount. The Procurement and Contracts Manager shall review the recommendation and, if appropriate, approve the selection or award the contract, except that all recommendations to the Procurement and Contracts Manager for non-competitive selections and awards must be in writing and signed by the Department Director, the Chief Financial Officer, or the Executive Director (subject to Expenditure Authority limits).

- 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 Purchasing division 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.

1.030 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 \$500,000.
- 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. The Executive Director has delegated the final approval authority for expenditure limits to the Chief Financial Officer. Upon recommendation of a Department Director, the Chief Financial Officer 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 Chief Financial Officer. All changes in Expenditure Authority amounts, whether temporary, if longer than one week, or permanent, must also be approved in writing by the Chief Financial Officer. The Executive Director will be notified in writing of all delegations of Expenditure Authority made by the Chief Financial Officer on a quarterly basis. The Board of Commissioners shall be notified in writing of all delegations of Expenditure Authority by the Executive Director or Chief Financial Officer on an annual basis.
- d. Purchasing/Corporate Card Delegation: The Executive Director is authorized to delegate Expenditure Authority to certain employees through the use of an SHA credit card (Purchasing/Corporate Card). The Executive Director has delegated the final approval authority for expenditure limits to the Chief Financial Officer. Upon recommendation of a Department Director, the Chief Financial Officer may authorize the issuance of a Purchasing/Corporate Card to employees.

1.040 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. The Chief Financial Officer may approve financial commitments and authorize expenditures up to \$500,000 without written concurrence of the Executive Director. Department Directors and Chief Financial Officer 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 Chief Financial Officer up to \$500,000 and the Executive Director for any over \$500,000.
- 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 Procurement and Contracts Manager. Those over \$50,000 and up to \$500,000 must be approved by the Department Director, Chief Financial Officer, and Procurement and Contracts Manager. Over \$500,000 the Executive Director's approval is needed.
- 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 Procurement and Contracts Manager and the Chief Financial Officer. The Chief Financial Officer can cancel the Expenditure Authority granted to any employee, except the Executive Director, for abuse or mismanagement. Such cancellation and the reason for the cancellation must be in writing to the employee's Department Director and the Procurement and Contracts Manager.
- e. Purchasing/Corporate Card Limits: A Department Director may recommend in writing to the Procurement and Contracts Manager, Credit Card Program Manager or Chief Financial Officer a change in an employee's Purchasing Card transaction limits.
- f. Purchasing/Corporate Card Cancellation: A Department Director may cancel the Purchasing/Corporate Card of an employee in their department by providing written notice and reasons of such a request to the Procurement and Contracts

Manager or Credit Card Program Manager. The Chief Financial Officer can cancel the Purchasing/Corporate Card of any employee, except the Executive Director, for abuse or mismanagement. Such cancellation and the reason for the cancellation must be in writing to the employee's Department Director and the Procurement and Contracts Manager.

- g. Authority of Acting Department Director: In the absence of a Department Director, the Deputy Department Director, or Acting Department Director (In the absence of a Deputy) shall have \$50,000 of Expenditure Authority, subject to the following: The Department Director has appointed the individual as the acting Department Director in writing. In the event that a Department Director is unable to issue such a notification, the Chief Financial Officer may authorize up to \$50,000 of Expenditure Authority to an acting Department Director. In the absence of the Chief Financial Officer, the Deputy for Finance and Administration, assumes the role of the Chief Financial Officer.

1.050 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 Chief Financial Officer, without the signature of his/her supervisor, Department Director, or Chief Financial Officer. 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 Chief Financial, 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 Procurement and Contracts Manager and the Chief Financial Officer 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 the Chief Financial Officer.

- e. Unauthorized Spending Reimbursement: When SHA funds are inappropriately used for non-agency authorized activities, an employee must reimburse SHA at the employee's earliest convenience within six months. Employee's reimbursement plan must be incorporated into an agreed upon discipline plan by the employee, Supervisor of the employee, Department Director and HR.

Supervisor of the employee is responsible for coordinating with Procurement division about the reimbursement plan. Procurement division will act as a liaison between the Supervisor and the Accounts Receivables team and is responsible for tracking the reimbursement progress and attaching supporting documents to the employee's reconciliation package to confirm that SHA receives all payments owed.

1.060 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 Chief Financial Officer 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/Corporate 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 Chief Financial Officer may authorize some supervisors of Purchasing/Corporate Card Holders to have an Expenditure Authority amount through the normal process.

1.070 Invoice Payment Authorization

- a. Department Directors Responsibilities: Expenditure Authority authorizes an employee to approve invoices for payment on a previously authorized contract, Change Order, or Purchase Order.
- 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

2.010 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.

2.020 Review by Budget Section

Procurement-related actions or expenditures estimated to cost \$5,000 or more must be routed to the Budget Office in the Finance & Administration Department for review and approval as to budget availability prior to approval by the Procurement and Contracts Manager.

2.030 Review by General Counsel

Department Directors, Project Managers, and the Procurement and Contracts Manager 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

3.010 General

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

3.020 Signature Authorization

- a. Procurement and Contracts Manager Authorization: The Procurement and Contracts Manager is authorized to sign all procurement-related documents up to \$1,000,000 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. Procurement-related documents with dollar amounts above \$1,000,000 must be signed by the Executive Director.
- 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 Procurement and Contracts Manager, the Chief Financial Officer (or the Deputy for Finance and Administration 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 Chief Financial Officer: If necessary, the Chief Financial Officer shall make the final decision whether a particular document is procurement-related or non-procurement related.

3.030 Procurement-Related Documents

The following is a non-exclusive list of the procurement-related documents that the Procurement and Contracts Manager 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

3.040 Non-Procurement-Related Documents

The following is a non-exclusive list of the non-procurement-related documents that shall not be signed by the Procurement and Contracts Manager, 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

4.010 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 Procurement and Contracts Manager.

4.020 Length of Contracts

Recognizing the general policy outlined in these procedures for authority and approval, 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 Procurement and Contracts Manager approves the contract length.
- b. Solicitation documents and contracts shall include language about the anticipated length of a particular procurement.

4.030 Contract Extensions

- a. Options Generally: Options for additional periods may be included in contracts, provided that:
 - A. The option is contained in the solicitation;
 - B. The option is a unilateral right of SHA;
 - C. The contract states a limit on the overall term of the contract;
 - D. The option is evaluated as part of the initial competition;
 - E. The contract states the period within which the options may be exercised;
 - F. The options may be exercised only at the price specified in or reasonably determinable from the contract; and
 - G. The options may be exercised only if determined to be more advantageous to 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

5.010 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.

5.020 Thresholds for Application

The requirements of 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 Procurement and Contracts Manager 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.

5.030 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.

5.040 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.

5.050 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 Procurement and Contracts Manager 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.

5.060 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.

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.

Cost Practices Prohibited: "The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used."¹

Time-and-Materials Contracts:² 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:

¹ 2 CFR §200.324(d)

² 2 CFR §200.318(j)(1) - §200.318(j)(2)

- 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.

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 Procurement and Contracts Manager 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

- 2.010 Department Responsibilities
- 2.020 Purchasing Division Responsibilities
- 2.030 Informal Solicitations - General
- 2.040 Informal Solicitation Requirements

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

- 3.010 Department Responsibilities
- 3.020 Purchasing Division Responsibilities
- 3.030 Solicitation Requirements

4. Evaluation Criteria and Award

- 4.010 Evaluation Criteria
- 4.020 Evaluation and Award

1. General

These procedures outline SHA's: (1) informal procurement procedures for selecting consultants and other service providers for contracts valued at \$250,000.00 or less; and (2) procedures for selecting consultants and other service providers for contracts valued at more than \$250,000.00.¹

Federal Funding		Non-Federal Funding	
Consultant (non-A/E)			
Dollar Limit		Dollar Limit	
\$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.
Consultant (A/E)			
Dollar Limit		Dollar Limit	
\$250,000 or less	Solicit a minimum of 3 or more firms using MRSC Rosters under A/E categories. Note: If the department elects NOT to use the Roster, it must follow the formal solicitation procedure and formally advertise.	\$250,000 or less	Solicit a minimum of 3 or more firms using MRSC Rosters under A/E categories. Note: 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.

¹ 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".

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

2.010 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.²
 - B. Evaluation criteria, including weighting of each criterion.³
 - 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 Authority and Approval Process, Section 5, 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 Procurement and Contracts Manager 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.

2.020 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

² 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."

³ 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."

consistency with the established requirements.

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

2.030 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).⁴ 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.

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

2.040 Informal Solicitation Requirements:

- a. In order to ensure adequate and sufficient competition in obtaining consultant services, at least three consultants must be solicited.⁵ Under special circumstances and for good and sufficient reasons, the Procurement and Contracts Manager may approve solicitation of just two consultants.
- b. SHA provides opportunities to WMBE and Section 3 firms, when feasible.⁶ 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.
- d. 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.
- e. 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

3.010 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.⁷
 - 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 developed for the work prior to issuance of an RFP/RFQ.⁸

⁵ 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."

⁶ 2 CFR §200.321..

⁷ 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."

⁸ 2 CFR §200.324(a)

- 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.

3.020 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.

3.030 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.⁹
- b. SHA encourages the use of WMBEs and Section 3 firms as consultants.¹⁰ 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

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

¹⁰ 2 CFR §200.321. See also SHA Policies On Diversity In Contracting.

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 Procurement and Contracts Manager 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 Procurement and Contracts Manager Procurement and Contracts Manager, 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,¹¹ 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

4.010 Evaluation Criteria:

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

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

¹² 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"

proposals may not be used as an evaluation criterion.¹³

- 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.”¹⁴

4.020 Evaluation and Award:

- a. Evaluation criteria and the relative weight of each criterion shall be included in the informal solicitation or RFP/RFQ.¹⁵
- b. The evaluation panel appointed by the Department Director shall evaluate proposals received based only on the established criteria and upon the proposal submitted.¹⁶
- 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.¹⁷ 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 Authority and Approval Process, Section 5, Ensuring Reasonable Costs for further information).¹⁸
- f. Contracts based on an informal solicitation shall normally be either based on a fixed-price, cost reimbursement,¹⁹ 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

¹³ 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.”

¹⁴ 2 CFR §200.319(c)

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

¹⁶ 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.”

¹⁷ 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.”

¹⁸ 2 CFR §200.324(a)

¹⁹ 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.

or a cost-reimbursement model.²⁰

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

²⁰ 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

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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 criteria¹ are met, competitive bidding should be utilized:

- a. A complete, adequate, and realistic specification is available.
- b. Two or more responsible bidders are willing and able to compete effectively for the work.
- c. 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.²

2. Selection Methodologies

2.010 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.

2.020 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 for project delivery methodologies such 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.

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

² 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.

2.030 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.

3. Small Works Roster (Informal Solicitation)

3.010 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 construction³. The Roster permits SHA to select a contractor for certain construction projects without otherwise publicly advertising the work.

3.020 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.

3.030 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.⁴
- 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%

³ 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.

⁴ 2 CFR §200.326(a)

of the contract price, or (ii) require SHA to retain 10% 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 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 and the Build America, Buy America Act (“BABAA”), Pub. L. 117-58, 41 U.S.C. § 8301.

3.040 Non-Competitive Procurements: Refer to SHA Other Procurement Procedures.

3.050 Department Responsibilities:

- a. Department Directors are responsible for ensuring that Project Managers develop sufficiently detailed, clear, and accurate⁵ 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.⁶
- 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

⁵ 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.”

⁶ 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.”

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;”⁷

- 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.
- 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.

3.060 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.

3.070 Solicitation Requirements: Unless the Procurement and Contracts Manager 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 State law, 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.”⁸
- 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.⁹

⁷ 2 CFR §200.319(d)(1)

⁸ 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 of \$10,000 and under.

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

- 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 Procurement and Contracts Manager, 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 subcontractors.¹⁰ 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. Procurement Procedures shall outline requirements for receipt of bids, including, but not limited to, addressing where bids should be submitted, and deadlines for submission.

3.080 Evaluation and Award:

- a. The Purchasing Division shall evaluate whether the bids submitted are responsive to the specifications.¹¹
- 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.¹²
- 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.¹³
- d. The geographic location of contractors may not be used as an evaluation criterion.¹⁴

¹⁰ 2 CFR §200.321.

¹¹ 2 CFR §200.320(b)(1): The bid must conform "with all the material terms and conditions of the invitation for bids,..."

¹² 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."

¹³ 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."

¹⁴ 2 CFR §200.319(c)

- e. SHA shall reserve the right to reject any or all bids “if there is a sound documented reason.”¹⁵
- f. Contracts shall be for a firm fixed-price based on either a lump sum amount or the summation of unit prices.¹⁶ On a unit price contract, SHA shall pay the contractor only for actual quantities installed, and thus the awarded contract amount may vary from the actual amount paid to the contractor.

4. Formal Solicitation (ITB or Alternate Proposal method)

4.010 An Invitation to Bid (ITB) or Proposal method is a formally advertised¹⁷ competitive selection process used for obtaining construction and maintenance services that will cost more than \$250,000.

4.020 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 5% of the total amount bid (the maximum dollar amount that could be awarded when additives and alternates are considered).¹⁸
- 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.¹⁹
- c. Prevailing Wages: Specifications shall require the payment of applicable prevailing wages and contracts shall include a copy of such wage rates.

¹⁵ 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.

¹⁶ 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.

¹⁷ 2 CFR §200.320(b)(1)(ii)(A): “..., the invitation for bids must be publicly advertised;”

¹⁸ 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.”

¹⁹ 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).

- d. Federal Contract Provisions: Federally funded contracts shall contain contract language required by 2 CFR §200.327.

4.030 Non-Competitive Procurements: Refer to SHA Other Procurement Procedures.

4.040 Department Responsibilities:

- a. Department Directors are responsible for ensuring that Project Managers develop sufficiently detailed, clear, and accurate²⁰ 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.²¹
- 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;”²²
- 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 Procurement and Contracts Manager 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.

²⁰ 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.”

²¹ 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.”

²² 2 CFR §200.319(d)(1)

4.050 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.
- e. Accept ITB bids received by the bid submittal deadline and publicly open and read bids.²³
- 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.

4.060 Solicitation Requirements:

- a. ITBs or Proposals will be publicly advertised in, but is not limited to, the *Seattle Daily Journal of Commerce* newspaper.²⁴
- 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.²⁵
- 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 Procurement and Contracts Manager 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 Procurement and Contracts Manager, in consultation with the applicable

²³ 2 CFR §200.320(b)(1)(ii)(C)

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

²⁵ 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."

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.²⁶
- g. “All ITB bids [received by the required deadline] will be publicly opened at the time and place prescribed in the invitation for bids.”²⁷
- h. Procurement Procedures shall outline requirements for receipt of bids or 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.

4.070 Evaluation and Award:

- a. SHA shall evaluate whether the bids submitted are responsive to the specifications.²⁸
- b. SHA shall evaluate whether the bidder submitting the lowest responsive bid is a responsible bidder.²⁹ 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.³⁰
- c. If a contract is to be awarded, it shall be awarded only to a responsible bidder

²⁶ 2 CFR §200.321.

²⁷ 2 CFR §200.320(b)(1)(ii)(C)

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

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

³⁰ 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.”

submitting the lowest responsive bid.³¹

- d. The geographic location of contractors may not be used as an evaluation criterion.³²
- e. SHA shall reserve the right to reject any or all bids “if there is a sound documented reason.”³³
- f. Contracts shall be for a firm fixed-price based on either a lump sum amount or the summation of unit prices.³⁴ 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

5.010 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.³⁵ 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.³⁶

5.020 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.³⁷

³¹ 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.”

³² 2 CFR §200.319(c)

³³ 2 CFR §200.320(b)(1)(ii)(E)

³⁴ 2 CFR §200.320(b)(1): “...a firm fixed-price contract (lump sum or unit price) is awarded to the responsible bidder...”

³⁵ 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.

³⁶ 24 CFR §965.101

³⁷ 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

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

2. Informal Solicitation

- 2.010 Definition
- 2.020 Blanket Contracts
- 2.030 Evaluation Criteria
- 2.040 Department Responsibilities
- 2.050 Purchasing Division Responsibilities
- 2.060 Solicitation Requirements
- 2.070 Cost or Price Analysis
- 2.080 Non-Competitive Procurements
- 2.090 Informal Solicitation Threshold
- 2.100 Federal Contract Provisions

3. Invitations to Bid

- 3.010 Definition
- 3.020 When to Use ITBs
- 3.030 Evaluation Criteria
- 3.040 Department Responsibilities
- 3.050 Purchasing Division Responsibilities
- 3.060 Solicitation Requirements
- 3.070 Evaluation and Award
- 3.080 Federal Contract Provisions

4. Request for Proposals

- 4.010 Definition
- 4.020 When to Use RFPs

1. General

These Procedures deal primarily with the purchase of goods, supplies, equipment, materials, and certain non-consultant services, frequently referred to as “goods and supplies”, or “items/item” in these procedures. 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 Procurement and Contracts Manager.

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

Goods/Supplies	
Dollar Limit	Solicitation Requirements
\$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

2.010 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)).

2.020 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.

2.030 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.¹
- b. [For funds SHA receives prior to 10/01/24] The geographic location of vendors

¹ 2 CFR §200.320(a)(2)(i)

submitting bids may not be used as an evaluation criterion.²

2.040 Department Responsibilities

- a. Department Directors are responsible for ensuring that Project Managers develop and provide “a clear and accurate description of the technical requirements”³ of the item(s) to be purchased through a Purchase Order.
- b. Department Directors shall ensure that item 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 item 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.⁴
- c. For purchases of \$10,000 or more, Department Directors shall ensure that an Independent Cost Estimate is developed for the items sought prior to issuance of a solicitation for bids or quotations.

2.050 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 items sought are described in sufficient detail to price the item(s).

2.060 Solicitation Requirements:

- a. In order to ensure adequate and sufficient competition in obtaining goods and supplies

² 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.”

³ 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.”

⁴ 2 CFR §200.319(d)(1)

valued at more than \$10,000, at least three vendors must be solicited.⁵ Under special circumstances and for good and sufficient reasons, the Procurement and Contracts Manager may approve solicitation of just two vendors.

- b. SHA encourages the use of WMBE and Section 3 firms as vendors.⁶ 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 Procurement and Contracts Manager 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 items 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 items valued at more than \$10,000, the Purchasing Division shall allow a sufficient length of time for vendors to prepare and submit their prices.

2.070 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 Authority and Approval Processes, Section 5. Ensuring Reasonable Costs).⁷ The Cost Analysis or Price Analysis must be in writing for all contracts (including purchase orders) costing more than \$10,000.

2.080 Non-Competitive Procurements: Refer to SHA Other Procurement Procedures.

2.090 Informal Solicitation Threshold: An informal solicitation may be used only for buying goods and supplies that will cost \$250,000 or less.⁸ 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 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.

⁵ 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."

⁶ 2 CFR §200.321.

⁷ 2 CFR §200.324(a)

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

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

3. Invitations to Bid

3.010 Definition: An Invitation to Bid (ITB) is a formally advertised⁹ 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.¹⁰

3.020 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:¹¹

- 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.¹²

3.030 Evaluation Criteria

- a. Price shall be the evaluation criterion used, provided the bid is submitted by a responsible bidder with a responsive bid.¹³
- b. [For funds SHA receives prior to 10/01/24] The geographic location of vendors submitting prices may not be used as an evaluation criterion.¹⁴

⁹ 2 CFR §200.320(b)(1)(ii)(A): “...,the invitation for bids must be publicly advertised;”

¹⁰ 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.

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

¹² See footnote 10.

¹³ See footnote 10.

¹⁴ See footnote 2.

3.040 Department Responsibilities

- a. Department Directors are responsible for ensuring that Project Managers develop and write the following for an ITB:
 - A. Sufficiently detailed, clear, and accurate description of the product to be provided and/or scope of work to be performed.¹⁵
 - B. Evaluation criteria, including weighting of each criterion, where price is used as the only criterion.¹⁶
 - C. 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.”¹⁷
- c. Department Directors shall ensure that an Independent Cost Estimate is developed for obtaining goods and supplies prior to issuance of an ITB.

3.050 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.

3.060 Solicitation Requirements

- a. ITBs will be publicly advertised in, but is not limited to, the Seattle Daily Journal of

¹⁵ See footnote 3.

¹⁶ 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.”

¹⁷ 2 CFR §200.319(d)(1)

Commerce newspaper.¹⁸

- b. SHA encourages the use of WMBE and Section 3 firms as vendors.¹⁹ 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.²⁰
 - 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 or items provided, and the complexity of the procurement.
 - B. 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 Procurement and Contracts Manager 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.
 - C. The Procurement and Contracts Manager, in consultation with the applicable Department Director, shall make the final decision on the length of time an ITB is advertised.

3.070 Evaluation and Award:

- a. Price shall be used as the evaluation criterion. This shall be identified in the ITB.
- 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).²¹
- c. Refer to SHA Procedures for Procurements with Sole Source, Emergency, and Single Response to a solicitation.

3.080 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.

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

¹⁹ 2 CFR §200.321.

²⁰ 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."

²¹ 2 CFR §200.324(a)

4. Request for Proposals

4.010 Definition: A Request for Proposals (RFP) is a formally advertised²² 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,²³ but is based on established criteria²⁴ that include price and other factors.²⁵

4.020 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.

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

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

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

²⁵ 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 is established for the Seattle Housing Authority (“SHA”) in support of SHA’s Procurement Policy and in accordance with applicable laws and regulations.

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 Procurements (see SHA Other Procurement Procedures, Section 1) 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.

The following items are included on the Direct Payments List as of November, 2024:

1. Utility bills (water, sewer, electricity, natural gas, waste removal, telephone and other similar expenses).
2. Postage and other purchases from the USPS.
3. Licenses, permits, and fees from governmental or regulatory entities at the federal, state or local level.
4. 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.
5. Emergency housing for Agency residents at motels/hotels.
6. Service or use fees paid to governmental cooperative purchasing organizations.
7. Charges for gasoline and diesel.
8. Charges for official Agency business and personal credit card while on Agency travel status.

9. 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).
10. Legal settlements of disputed matters, and judgment claims against SHA.
11. Payments for existing annual maintenance, service, or support agreements for computer and telecommunications services. Payments for existing software license agreements.
12. Traffic control (flagging) or security services by off-duty police.
13. Travel expenses for Agency employees, residents, program participants, volunteers, or members of the Board of Commissioners necessary to conduct Agency business.
14. 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.
15. 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.
16. Conference and convention expenses and fees for Agency employees, residents, program participants, volunteers and members of the Board of Commissioners.
17. Advertisements (all media) for employment opportunities, purchasing and contracting solicitations, sale of surplus items, public announcements and outreach, etc. Printing, design, or graphics services are excluded from the Direct Payments List.
18. Freight bills, express shipping, common carriers and delivery services.
19. Insurance deductible and/or retained losses.
20. Taxi, public transportation and toll fares; mileage and incidental parking expenses.
21. Publications and subscriptions (e.g., newspapers, magazines, books, etc).
22. Mailing lists.

23. Professional association membership dues, fee, licenses, accreditation, and certifications.

24. 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

- 1.010 Restricting Competition Prohibited
- 1.020 Permissive Non-Competitive Procurements
- 1.030 Justifications
- 1.040 Emergency Procurement Process

2. Cooperative Intergovernmental Agreements

- 2.010 General Policy
- 2.020 Government Competition with Private Sector

3. Concessions

- 3.010 Competitive Selection Process
- 3.020 Objectives of Competition
- 3.030 Waiver of Competition

1. Non-Competitive Procurements

1.010 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.”¹
- b. Experience and Bonding: “Requiring unnecessary experience and excessive bonding.”²
- c. Non-Competitive Pricing Practices: “Noncompetitive pricing practices between firms or between affiliated companies.”³
- d. Certain Retainer Contracts: “Noncompetitive contracts to consultants that are on retainer contracts.”⁴
- e. Conflict of Interest: “Organizational conflicts of interest.”⁵
- 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.”⁶
- g. Arbitrary Actions: “Any arbitrary action in the procurement process.”⁷

1.020 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,”⁸ 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).⁹

¹ 2 CFR §200.319(b)(1)

² 2 CFR §200.319(b)(2)

³ 2 CFR §200.319(b)(3)

⁴ 2 CFR §200.319(b)(4)

⁵ 2 CFR §200.319(b)(5)

⁶ 2 CFR §200.319(b)(6)

⁷ 2 CFR §200.319(b)(7)

⁸ 2 CFR §200.320(c)(2)

⁹ 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.”¹⁰ 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.¹¹
- e. HUD Authorization: HUD has authorized a non-competitive process.¹²

1.030 Justifications

- a. Selection: Department Directors shall submit in writing to the Procurement and Contracts Manager 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.

1.040 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:

A. 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.

B. Co-operative Contracts

¹⁰ 2 CFR §200.320(c)(3)

¹¹ 2 CFR §200.320(c)(5)

¹² 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.

C. Job Order Contracts (JOC)

D. Other standard process for \$10,000 or under procurement.

- c. For every procurement deemed an emergency, the Procurement and Contracts Manager 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 Services¹³

A. Form 1152:

- i. Scope of Work and Price
- ii. Justification
- iii. 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:

- i. Scope of Work and Price
- ii. Justification
- iii. Cost/Price Analysis

B. If procuring services, verify the following information

- i. applicable tax
- ii. applicable additional insurance requirement
- iii. applicable license or certificate
- iv. Section 3 business concern

C. Other information and documentation required to initiate PO process on E1

¹³ For consulting services, use the checklist below when there is no currently contracted On-Call firm could do the work.

2. Cooperative Intergovernmental Agreement

2.010 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 Procurement and Contracts Manager shall review for reasonableness the standards in the competitive selection process conducted by the other agency.¹⁴

2.020 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.¹⁵

3. Concessions

3.010 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.

3.020 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

¹⁴ 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.").

¹⁵ 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.

3.030 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

These procedures for company cards 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

- 1.010 Approval by Chief Financial Officer
- 1.020 Administrative Responsibilities
- 1.030 Changes in Employee Status
- 1.040 Purchasing Card Holder Responsibilities
- 1.050 Supervisory Review Responsibilities
- 1.060 Audit

2. Corporate Credit Cards

- 2.010 Approval by Chief Financial Officer
- 2.020 Administrative Responsibilities
- 2.030 Changes in Employee Status
- 2.040 Corporate Credit Card Holder Responsibilities
- 2.050 Supervisory Review Responsibilities
- 2.060 Audit

3. Gas Cards

- 3.010 Gas Card Custodian
- 3.020 Authorization for Gas Cards
- 3.030 Personal Identification Numbers
- 3.040 For Official SHA Business Only
- 3.050 Security of Gas Cards
- 3.060 Restrictions on Use

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.

1.010 Approval by Chief Financial Officer Delegated Purchasing Authority: Because the use

of Purchasing Cards represents delegated purchasing authority, only the Chief Financial Officer 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 Procurement and Contracts Manager.

- a. 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 Chief Financial Officer'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".
- b. Supervisory Review of Transactions: In approving the issuance of a Purchasing Card to an individual employee, the Chief Financial Officer automatically authorizes that individual's supervisor to review and approve the employee's monthly expenditures with the Purchasing Card.
- c. Expenditure Authorization: In approving the issuance of a Purchasing Card to an individual employee, the Chief Financial Officer 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 (under the SHA Authority and Approval Procedures).

1.020 Administrative Responsibilities

- a. Purchasing Card Program Manager: The Purchasing Card Program Manager 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 Purchasing Card Program Manager 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 Purchasing Card Program Manager 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 Purchasing Card Program Manager. If approved by the Purchasing Card Program Manager, the request will be submitted to the Chief Financial Officer 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 Purchasing Card Program Manager 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 Purchasing Card Program Manager. The request shall state the reasons for the change and the date on which the original threshold should be reinstated. The Purchasing Card Program Manager 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 Purchasing Card Program Manager for any employee, may cancel the Purchasing Card of an employee for good and sufficient reasons.

1.030 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 Supervisor shall contact the Purchasing Card Program Manager 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 or Supervisor to notify the Purchasing Card Program Manager of such Purchasing Cards to be cancelled.

1.040 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.¹
- 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:

¹ 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..."

- A. Cash advances from financial institutions;
 - B. 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);
 - C. 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 Purchasing Card Program Manager, 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 complete an online approval of all transactions made with the card, and reconcile transactions made with those reported on the online bank statement.² Online approvals are due no later than the 10th of the month following the statement closing date (on the 20th of the previous month) to the Purchasing Division. If the Purchasing Card holder misses this deadline their card may be put on temporary suspension until the documentation is received by the Purchasing Division. The Purchasing Card Program Manager, at their discretion, is entitled to suspend purchasing cards for up to two months for any Purchasing Card holders who completes reconciliation past the due date twice within one year. If after reinstatement the Purchasing Card holder is late with their reconciliation within the next twelve-month period, the Purchasing Card Program Manager is entitled to terminate the employee's purchasing card privileges. **NOTE:** Cardholders can access their web-based statement any time during the month. Although they are only required to reconcile monthly, more

² Note: Purchasing Card Holders must view their statements off the Bank website when they reconcile their account online. 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. The following site includes instructions on accessing accounts online: [US-Bank-Online-User-Guide.pdf \(sharepoint.com\)](#)

frequent reconciliation is both possible and strongly encourage. (Refer to the online instructions for information on accessing cardholder accounts online).

- h. **Missing Receipt Memo:** Purchasing Card holders are responsible for filling out the “Missing Receipt Memo”, in case of a transaction with a missing receipt. For all transaction amounts, the Purchasing Card holder, their direct Supervisor and the Purchasing Card Program Manager must sign prior to submission. Attach the signed memos to your transaction in US Bank portal.
- i. **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.
- j. **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.

1.050 Supervisory Review Responsibilities: Supervisors are responsible for reviewing monthly reconciliations and 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.

1.060 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 Division 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 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 Chief Financial Officer to use a corporate credit card. Other staff in special circumstances may be issued a corporate card for business purposes that do not align with the uses of a purchasing 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.

2.010 Approval by Chief Financial Officer

- a. **Delegated Purchasing Authority:** The Chief Financial Officer is authorized to establish a Corporate Card Program for SHA. Under this Program, the Chief Financial Officer 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 Chief Financial Officer. 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 credit limit of \$20,000; provided, however, that the Chief Financial Officer 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 Chief Financial Officer also directs the employee's supervisor to review and approve the employee's monthly Corporate Card expenditures. The Chief Financial Officer 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.

2.020 Administrative Responsibilities

- a. **Purchasing Card Program Manager:** The Purchasing Card Program Manager 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:**
 - A. Developing procedures for the credit card program.
 - B. Maintaining a list of SHA's cardholders and assigned credit limits.

- C. Serving as liaison to issuing banks and SHA concerning credit card program issues, such as credit card ordering, cancellation, disbursement, etc.
 - D. Informing cardholders of requirements for participating in credit card program, including reporting requirements, eligible expenditures, and expenditure documentation requirements.
 - E. 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 Chief Financial Officer. 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 Purchasing Card Program Manager. 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 Purchasing Card Program Manager 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 Chief Financial Officer in advance.
 - d. The Purchasing Division: The Purchasing Division 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 Purchasing Card Program Manager 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 Purchasing Card Program Manager. The Chief Financial Officer may reinstate a suspended or cancelled card; provided that the reinstatement shall be in writing and shall include the reasons therefor.

2.030 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, the Travel Regulations and Reimbursements (SHA Manual Finance 3.9, Revised 04/16/2024) and the Seattle Housing Authority Travel Procedure (dated 04/16/2024). If the cardholder has questions concerning any requirement, they shall seek guidance in advance. Unless the cardholder knows the expenditure is an eligible and proper SHA business expense, they 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, they will obtain a detailed itemized bill/invoice for the expense, including for any meal

costs permitted under the Travel Regulations and Reimbursements (SHA Manual Finance 3.9, Revised 04/16/2024) and the Seattle Housing Authority Travel Procedure (dated 04/16/2024).

- b. Inappropriate Uses: Corporate Cards may not be used for the following³:
 - A. 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, including costs for meals while traveling on SHA business -- permitted meal costs while traveling on SHA business are covered under Per Diem according to the Travel Regulations and Reimbursements (SHA Manual Finance 3.9, Revised 04/16/2024) and the Seattle Housing Authority Travel Procedure (dated 04/16/2024);
 - B. For expenditures associated with a person or organization who is not an SHA employee or with whom SHA is not doing business;
 - C. For cash advances from financial institutions or ATM's;
 - D. For purchases that are prohibited or otherwise restricted by policies, guidelines, or other rules or regulations.
- c. Change in Employee Status:
 - A. Employee Transfers to a Different Position in the Same Department: If a Corporate 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 Corporate Card. If the Corporate Card is no longer required, the Supervisor shall contact the Purchasing Card Manager to have the card cancelled.
 - B. Employee Transfers to Different Department or Terminates from SHA: In the event a Corporate Card holder takes a position in another department or terminates their employment with SHA, the Corporate Card shall be cancelled unless the receiving Department Director requests that it be retained. It shall be the responsibility of the sending Department Director or Supervisor to notify the Purchasing Card Program Manager of such Purchasing Cards to be cancelled.
- 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.

³ For travel related purchases, Cardholders are advised to consult the Travel Regulations and Reimbursements (SHA Manual Finance 3.9, Revised 04/16/2024) and the Seattle Housing Authority Travel Procedure (dated 04/16/2024) to ensure purchases are allowable travel expenditures.

- e. Record Keeping and Monthly Reconciliation: Each Corporate Card holder shall keep receipts, invoices, or other appropriate documentation for all purchases made with the Corporate Card. On a monthly basis, each Corporate Card holder must complete an online approval of all transactions made with the card, and reconcile transactions made with those reported on the online bank statement.⁴ Online approvals are due no later than the 10th of the month following the statement closing date (on the 20th of the previous month) to the Purchasing Division. If the Corporate Card holder misses this deadline their card may be put on temporary suspension until the documentation is received by the Purchasing Division. The Purchasing Card Program Manager, at their discretion, is entitled to suspend corporate cards for up to two months for any Corporate Card holders who completes reconciliation past the due date twice within one year. If after reinstatement the Corporate Card holder is late with their reconciliation within the next twelve-month period, the Purchasing Card Program Manager is entitled to terminate the employee's corporate card privileges. **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 encourage. (Refer to the online instructions for information on accessing cardholder accounts online).
- f. Missing Receipt Memo: Purchasing Card holders are responsible for filling out the "Missing Receipt Memo", in case of a transaction with a missing receipt. For all transaction amounts, the Purchasing Card holder, their direct Supervisor and the Purchasing Card Program Manager must sign prior to submission. Attach the signed memos to your transaction in US Bank portal.
- g. 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.
- h. 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.

2.040 Supervisory Review Responsibilities: Supervisors or others designated are responsible for reviewing monthly usage of Corporate Cards to determine that the expenditures are valid and necessary for the conduct of SHA business.

2.050 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

⁴ Note: Purchasing Card Holders must view their statements off the Bank website when they reconcile their account online. 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. The following site includes instructions on accessing accounts online: [US-Bank-Online-User-Guide.pdf \(sharepoint.com\)](#)

audit on request. While Purchasing 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

3.010 Gas Card Custodian: The Chief Financial Officer and the Purchasing Card Program Manager shall appoint an employee within the Purchasing Division 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.

3.020 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.

3.030 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.

3.040 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.

3.050 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.

3.060 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.

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

2.010 Solicitations

2.020 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 these procedures 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 Division has the responsibility to review and decide on any protests to the procurement process. Except as otherwise set forth in these procedures, the Procurement and Contracts Manager is responsible for ensuring the coordination, hearing, and decision upon all bidding and selection related protests.

2. Filing Deadlines

2.010 Solicitations: Any protest against a solicitation issued by SHA must be received by the Procurement and Contracts Manager before the bid or proposal submittal deadline.

2.020 Awards:

- a. Any protest against the award of a contract based on an ITB must be received by the Procurement and Contracts Manager 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 Procurement and Contracts Manager 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 Procurement and Contracts Manager 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 Procurement and Contracts Manager 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 Procurement and Contracts Manager 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 Procurement and Contracts Manager 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 Deputy Director of Finance & Administration of SHA 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 (3rd) 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 Division
101 Elliott Avenue W,
Suite 100
PO Box 79015
Seattle, WA 98119

Email: 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.