



Statement of Procurement Policy

Norfolk Redevelopment
and Housing Authority

As Amended

June 14, 2010

(Effective July 01, 2010)

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STATEMENT OF PROCUREMENT POLICY

Established for Norfolk Redevelopment and Housing Authority (NRHA) by Commissioners' Resolution dated September 23, 1991, as amended pursuant to Commissioners' Resolutions dated January 23, 1995, January 13, 1997, July 10, 2000, June 16, 2003, and June 14, 2010. This Statement of Procurement Policy complies with HUD's Annual Contributions Contract (ACC), HUD Handbook 7460.8 Rev 2, "Procurement Handbook for Public Housing Agencies," the procurement standards of 24 CFR 85.36 and the Virginia Public Procurement Act.

It is not required that the procurement policy be submitted to HUD for approval. Therefore, NRHA hereby self-certifies that our procurement system meets all HUD requirements, and as such, is exempt from certain HUD review requirements.

I. GENERAL PROVISIONS

A. PURPOSE

The purpose of this Statement of Procurement Policy is to: provide for the fair and equitable treatment of all persons or firms involved in purchasing by NRHA; assure that supplies, services, equipment and construction are procured efficiently, effectively, and at the most favorable prices available to NRHA; promote competition in contracting; provide safeguards for maintaining a procurement system of quality and integrity; and assure that NRHA purchasing actions are in full compliance with applicable Federal standards, HUD regulations and State laws.

B. APPLICATION

This Statement of Procurement Policy (Statement) applies to all contracts for the procurement of supplies, services, equipment and construction entered into by NRHA after the effective date of this Statement. It shall apply to every expenditure of funds by NRHA for public purchasing, irrespective of the source of funds, including contracts which do not involve an obligation of funds (such as concession contracts); however, nothing in this Statement shall prevent NRHA from complying with the terms and conditions of any grant, contract, gift or bequest that is otherwise consistent with law. The term "procurement", as used in this Statement, includes both contracts and contract modifications (including change orders) for construction or services, as well as purchase, lease or rental of supplies and equipment. In the event an applicable law or regulation is modified or eliminated, or a new mandatory law or regulation is adopted, such law or regulation shall, to the extent inconsistent with this Policy, automatically supersede this Policy.

C. PUBLIC ACCESS TO PROCUREMENT INFORMATION

Subject to the provisions of Section 36-5 of the Virginia Housing Authorities Law which provide that only completed contracts and transactions of the NRHA shall be deemed public records open to public inspection and subject to the limitations set forth in Section 2.2-4342 of the Virginia Public Procurement Act, information shall be a matter of public record and shall be available to the public to the extent provided in the Virginia Freedom of Information Act (Section 2.2-3700, et seq.).

D. HUD FORMS

When applicable, certain HUD forms are mandatory inclusions in NRHA contracts. Required HUD forms are discussed in some detail in this Statement of Procurement Policy.



E. BUY AMERICAN ACT

NRHA's contractual Terms and Conditions shall include the Buy American Act certificate where the offeror certifies that each end product, except those that are excluded by law, is a domestic end product and that the offeror has considered components of unknown origin to have been mined, produced, or manufactured outside the United States. The offeror shall list as foreign end products those end products manufactured in the United States that do not qualify as domestic end products. (PIH notice 2009-12 & 31; FAQs 4-10 and 5-15, 2009)

II. PROCUREMENT AUTHORITY AND ADMINISTRATION

A. PROCUREMENT TRANSACTIONS

All procurement transactions shall be administered by the Contracting Officer, who shall be the Chief Executive Officer or other individual he or she has authorized in writing via a Warrant. The Chief Executive Officer shall issue operational procedures to implement this Statement, which shall be based on HUD Handbook 7460.8 Rev 2. The Chief Executive Officer shall establish an Ethics Committee that will devise a system of sanctions for violations of the ethical standards described in Section IX, and consistent with State law.

B. CHIEF EXECUTIVE OFFICER

The Chief Executive Officer or his/her designee shall ensure that:

1. procurement requirements are subject to an annual planning process to assure efficient and economical purchasing;
2. contracts and modifications are in writing, clearly specifying the desired supplies, services, equipment or construction, and are supported by sufficient documentation regarding the history of the procurement, including as a minimum the method of procurement chosen, the selection of the contract type, the rationale for selecting or rejecting offers, and the basis for the contract price;
3. solicitation procedures are conducted in full compliance with Federal standards stated in 24 CFR 85.36, or State and local laws that are more stringent, provided they are consistent with 24 CFR 85.36;
4. a cost or a price analysis is required in connection with every procurement action including contract modifications (Independent Cost Estimate (ICE)). The method and degree of analysis is dependent on the facts surrounding the particular procurement situation. An independent cost estimate is to be prepared before solicitation issuance and appropriately safeguarded for each procurement above the small purchase limitation, and a cost or price analysis is to be conducted of the responses received for all procurements;
5. contract award is made to the responsive and responsible bidder offering the lowest price (for sealed bid contracts) or contract award is made to the offeror whose proposal offers the Best Value to NRHA, considering price, technical, and other factors as specified in the solicitation (for contracts awarded based on competitive proposals)(See Section III.D.a. of this Policy for a definition of "Best Value"); unsuccessful firms are notified within ten days after contract award;
6. Funding Documents (FD) are in place to validate that there are sufficient unencumbered funds available to cover the anticipated cost of each procurement before contract award or modification (including change orders), that work is inspected before payment, and that payment is made promptly for contract work performed and accepted;



7. NRHA complies with applicable HUD review requirements, as provided in the operational procedures supplementing this Statement; and

8. NRHA does not discriminate against a bidder or offeror because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.

C. POLICY REVISIONS

This Statement and any later changes shall be submitted to the Board of Commissioners for approval. The Board appoints and delegates procurement authority to the Chief Executive Officer who designates in writing (Warrant) Contracting Officers to procure all contracts for supplies, services, equipment and construction entered into by the Authority pursuant to budgets, including cumulative budgets, which have been approved by the Board of Commissioners. In addition, prior approval by the Board of Commissioners shall be required for (a) transfer of funds within a program when the amount is 25% or more of the total program budget, or \$100,000; whichever is greater; (b) reprogramming of budgets, including cumulative budgets, which by regulation require Board approval; and (c) any new funding that becomes available during the year for which budgets must be established. The Chief Executive Officer and his/her designees shall be responsible for ensuring that all procurement is carried out pursuant to this Statement of Procurement Policy. Notwithstanding the foregoing delegation of authority, any sole source procurement in the amount of \$100,000 or more shall receive the prior approval of the Board of Commissioners. The Chief Executive Officer or his designee shall report all contracts and change orders above \$30,000.00 to the Commissioners on a monthly basis.

III. PROCUREMENT METHODS

A. SELECTION OF METHOD

If it has been decided that NRHA will directly purchase the required items, one of the following procurement methods shall be chosen, based on the nature and anticipated dollar value of the aggregate or the sum of all phases:

Small Purchase Procedures

Competitive Sealed Bid

Competitive Negotiation

Non-competitive Procedures

A Business Clearance Memorandum (BCM) shall be created for all procurement over a \$5,000.00 threshold. The BCM shall describe the procurement process and evaluation criteria established for an award.

B. SMALL PURCHASE PROCEDURES

General. Any procurement where the aggregate or the sum of all phases is not expected to exceed \$50,000.00 may be made in accordance with the small purchase procedures authorized in this section. Procurement requirements shall not be artificially divided so as to constitute a small purchase under this section (except as may be reasonably necessary to comply with Section VIII, Assistance to Small or Other Businesses, of this Statement). Notification may be listed on the Virginia Business Opportunity (VBO) website, in local newspapers, on NRHA bulletin boards, and/or in mass mailings.



1. Purchases. Materials, equipment, supplies, printing and automated data processing hardware and software hereinafter referred to as "purchases"), shall be obtained by the Contract Manager or other employee designated by the Chief Executive Officer and only in accordance with this Statement.

a. Petty Cash Purchases. Small purchases under \$50.00 which can be satisfied by local sources may be processed through the use of a petty cash account. The Petty Cash Custodian shall ensure that: the account is established in an amount sufficient to cover small purchases made during a reasonable period (e.g., one week); security is maintained and only authorized individuals have access to the account; the account is periodically reconciled and replenished by submission of a voucher to NRHA's Finance Department; and the account is periodically audited by the Finance Department to validate proper use and to verify that the account total equals cash on hand plus the total of accumulated vouchers. The signature of the Division Manager or authorized personnel certifies the cost reasonableness of the procurement.

b. Small Purchases which in the aggregate or the sum of all phases are not expected to exceed \$5,000.00. For small purchases not to exceed \$5,000.00 only one quotation need be solicited if the price received is considered reasonable; however, every effort shall be made to obtain more than one quotation. Such purchases must be distributed equitably among qualified sources. If practicable, a quotation shall be solicited from other than the previous source before placing a repeat order. An estimate of fair market value for the goods or services procured must be made before seeking quotes to establish the reasonableness of the quotes and the estimate must be properly recorded.

c. Small Purchases which in the aggregate or the sum of all phases are over \$5,000.00 but not expected to exceed \$50,000.00 may be made by the Contract Manager after sending a Request for Quotations identifying NRHA's needs and inviting quotations to those firms appearing on the current list of sources of the desired items. No less than four offerors shall be solicited to submit price quotations which may be obtained orally, by telephone, or in writing. Award shall be made to the offeror providing the lowest acceptable quotation. The names, addresses and/or telephone numbers of the offerors contacted, and the date and amount of each quotation shall be recorded and maintained as a public record. An estimate of fair market value for the goods or services procured must be made before seeking quotes to establish the reasonableness of the quotes and the estimate must be properly recorded.

d. Blanket Purchase Orders. Open Purchase Orders are established annually with vendors to provide authorized personnel a means to make small purchases. Since no budget approval is required, all Blanket Purchase Orders must be pre-approved by the Division Director on the Purchase Requisition prior to execution. At the discretion of the Contract Manager, the use of Blanket Purchase Orders may be extended to include materials and/or services when it has been determined that this procurement method is the most efficient and economic available. Managers that identify a need for specific Blanket Purchase Orders, must in conjunction with the Contract Manager, establish single purchase limits with each vendor and determine the employees eligible to utilize this procurement method. Managers using Blanket Purchase Orders must sign-off on each invoice via Receiving Stamp or Receiving Report, verifying the purchase and the price reasonableness of the items bought. Annually, the Contracting Officer will review and make inquiries to assure that each Blanket Purchase Order Vendor remains competitive.

2. Services

a. Services, including professional services, which in aggregate or the sum of all phases are not expected to exceed \$5,000.00. For services not to exceed \$5,000.00, only one quotation need be solicited if the price received is considered reasonable however every reasonable effort shall be made to obtain more than one quote. An estimate of fair market value for the goods or services procured must be made before seeking quotes to establish the reasonableness of the quotes and the estimate must be properly recorded.



b. Services, including professional services, which in aggregate or the sum of all phases are over \$5,000.00 but not expected to exceed \$50,000.00. No less than three offerors shall be solicited to submit price quotations which may be obtained orally, by telephone, or in writing. Award shall be made to the offeror providing the lowest acceptable quotation, unless justified in writing based on price and other specified factors, such as for architect-engineer contracts. If non-price factors are used, they shall be disclosed to all those solicited. The names, addresses, and/or telephone numbers of the offerors and persons contacted, and the date and amount of each quotation shall be recorded and maintained as a public record. An estimate of fair market value for the goods or services procured must be made before seeking quotes to establish the reasonableness of the quotes and the estimate must be properly recorded.

c. It is to be documented and maintained in the contract file that the compensation is reasonable for the services required and that competition was utilized where practicable.

C. COMPETITIVE SEALED BIDDING

1. Conditions for Use. Contracts shall be awarded based on competitive sealed bidding if the following conditions are present: a complete, adequate, and realistic specification or purchase description is available; two or more responsible bidders are willing and able to compete effectively for the work; the procurement lends itself to a firm fixed-price contract; and the selection of the successful bidder can be made principally on the basis of price. For professional service contracts, sealed bidding should not be used. Construction contracts shall be procured using competitive sealed bidding, except that competitive negotiation may be used to procure construction in the following instances, upon a prior written statement by the Chief Executive Officer or his designee, which documents the determination that competitive sealed bidding is either not practicable or not fiscally advantageous to NRHA:

a. A contract for construction, alteration, repair, renovation or demolition of buildings or structures when the contract is not expected to cost more than \$100,000,000.00;

b. A contract for the construction of highways and any draining, dredging, excavation, grading or similar work upon real property; or

c. A contract for construction on a fixed price or not-to-exceed price design bid-build or construction management basis provided the requirements of Section 2.2-4308 of the Virginia Public Procurement Act have been met and approval has been obtained from the State's Design-Build/Construction Management Review Board pursuant to Section 2.2-2406 of the Virginia Code.

2. Solicitation and Receipt of Bids. An Invitation for Bids shall be issued including specifications, contractual terms and conditions applicable to the procurement, including any requisite qualifications of the contractor and a statement that award will be made to the lowest responsible and responsive bidder whose bid meets the requirements of the Invitation for Bids. The Invitation for Bids shall state the time and place for both the receipt of bids and the public bid opening. All bids received shall be time-stamped but not opened and shall be stored in a secure place until bid opening. A bidder may withdraw its bid at any time prior to bid opening.

3. Notice. Notice of the Invitation for Bids shall be provided at least ten calendar days prior to the date set for receipt of bids by posting in a designated public area and publication in a newspaper of general circulation. Public notice may also be published on the Virginia Department of General Services' central electronic procurement Web site and other appropriate Web sites. Bids may also be directly solicited from potential contractors. Any such additional solicitations shall also be made available to the Department of Minority Business Enterprise, 200-202 N. Ninth Street, 11th Floor, Richmond, Virginia 23219.



4. **Bid Opening.** Bids shall be opened publicly and in the presence of at least one witness. An abstract of bids shall be recorded and the bids shall be available for public inspection. All bid opening information shall be contained in the Business Clearance Memorandum (BCM).

5. **Award.** Award of a firm fixed-price contract shall be made as provided in the Invitation for Bids by written notice to the lowest responsive and responsible bidder. Where specified in the Bid Documents, factors such as discounts, transportation costs, and life-cycle costs shall be considered in determining which bid is lowest. If only one responsive bid is received from a responsible bidder, award shall not be made unless a cost or price analysis verifies the reasonableness of the price.

In the event the bid from the lowest responsible bidder exceeds available funds, NRHA may negotiate with the apparent low bidder to obtain a contract price within available funds. Such negotiation shall only be undertaken with the apparent low bidder, and any negotiated bid shall be approved by the Contracting Officer. The Contracting Officer may establish additional procedures to implement this provision, provided those procedures are summarized in the Invitation for Bids.

6. **Tie Bids.** In the case of a tie bid, a preference shall be given to goods, services and construction produced in Virginia or provided by Virginia persons, firms or corporations, if such choice is available. However, where a procurement involves Federal funding, a condition of which is compliant with Federal laws, no in-state preference shall be given.

7. **Mistakes in Bids.**

a. Corrections or withdrawal of inadvertently erroneous bids may be permitted, where appropriate, before bid opening by written or email notice received in the office designated in the Invitation for Bids prior to the time set for bid opening.

b. After bid opening, a bidder may withdraw its bid from consideration only if he can show by clear and convincing evidence that:

- i. The price is substantially lower than the other bids due solely to a mistake;
- ii. The bid was submitted in good faith;
- iii. The mistake was a clerical mistake as opposed to a judgment mistake and was due to an unintentional arithmetic error or an unintentional omission of the quantity of work, labor or material made directly in the compilation of that bid;

iv. The error or omission can be clearly shown by objective evidence drawn from inspection of original work papers documents and materials used in the preparation of the bid; and

v. The bidder submits a notice in writing of his claim of right to withdraw the bid, with the original work papers, within two business days after the conclusion of the bid opening procedure.

c. If a bid contains both clerical and judgment mistakes, a bidder may withdraw his bid from consideration if the price bid would have been substantially lower than the other bids due solely to the clerical mistake, that was an unintentional arithmetic error, or an unintentional omission of a quantity of work, labor or material made directly in the compilation of a bid which shall be clearly shown by objective evidence drawn from inspection of original work papers, documents and materials used in the preparation of the bid sought to be withdrawn.



d. All decisions to allow correction or withdrawal of bid mistakes shall be supported by a written determination signed by the Contracting Officer. After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of NRHA or fair competition shall be permitted.

8. Bid Guarantee and Bonds. Although permissible at lower amounts, the following are required for construction contracts in excess of \$100,000.00:

a. Bid Guarantee. The bidder shall submit with the bid a bid bond from a surety company licensed to do business in Virginia and which is listed in the latest issue of U.S. Treasury Circular 570. The amount of the bid bond shall equal 5% of the bid price. In lieu of a bid bond, the bidder may submit a certified or cashier's check. If approved by NRHA's attorney, the bidder may submit a bank or savings and loan association irrevocable letter of credit. Approval shall be granted only upon a determination that the form of alternative security offers protection equivalent to the form of a corporate surety's bond which is customarily used in the locality.

b. Upon award of the contract, contractors shall be required to submit the following:

i. a performance bond for 100% of the contract price; and

ii. a payment bond for 100% of the contract price.

D. COMPETITIVE PROPOSALS

1. Conditions for Use. Competitive proposals (including turnkey proposals for development) may be used if there is an adequate method of evaluating technical proposals and where NRHA determines that conditions are not appropriate for the use of competitive sealed bids. An adequate number of qualified sources shall be solicited. Competitive proposals shall be used for procurement of professional services exceeding \$50,000.00, unless one of the exceptions set forth in Section III E. "Non-Competitive Procurement" below applies. The CEO has authorized the use of small purchase procedures for the procurement of professional services, which in aggregate or the sum of all phases are not expected to exceed \$50,000.00.

2. Competitive Proposals for Professional Services Procured with non-Federal Funds. Professional services are defined as work performed by an independent contractor within the scope of practice of accounting, architecture, land surveying, landscape architecture, law, dentistry, medicine, optometry, pharmacy or professional engineering, Section 2.2-4301 of the Virginia Code. Competitive proposals for professional services shall be procured through competitive proposals, conducted as follows:

a. Solicitation. A written Request for Proposals shall be issued which specifies all evaluation factors and their relative importance, contractual terms and conditions and any requisite qualifications of the contractor. The Request for Proposal shall not request that offerors furnish estimates of man-hours or costs for services. However, price shall be used as a selection factor in all submissions except architectural/engineering professional services, regardless of the estimated value of the contract. Price shall be a weighted factor for procurements in excess of the federal simplified acquisition threshold as established by 41 U.S.C. 403(11). Offerors are required to submit non-binding cost proposals breaking down the elements of their proposed costs at the discussion phase. A mechanism for fairly and thoroughly evaluating the proposals shall be established before the solicitation is issued. Proposals shall be handled so as to prevent disclosure to third parties of the number of offerors, identity of the offerors, and the contents of their proposals. The proposals shall be evaluated only on the criteria stated in the Request for Proposals. Section 2.2-4301 of the Virginia Code



b. Notice. Notice of the Request for Proposals shall be provided at least ten calendar days prior to the date set for receipt of proposals by posting in a public area normally used for posting of public notices and by publication in a newspaper of general circulation. Public notice may also be published on the Department of General Services' electronic central procurement Web site and other appropriate Web sites. Proposals may also be solicited directly from potential contractors. Any such additional solicitations shall be made available to the Department of Minority Business Enterprise, 200-202 N. Ninth Street, 11th Floor, Richmond, Virginia 23219. Section 2.2-4301 of the Virginia Code

c. Informal Discussions. The Contracting Officer or his/her designee shall engage in individual discussions with two or more offerors deemed fully qualified, responsible and suitable on the basis of initial responses and with emphasis on professional competence, to provide the required services. At the discussion stage, NRHA may discuss nonbinding estimates of total project costs, including but not limited to life-cycle costs, and where appropriate, nonbinding estimates of price for services. Section 2.2-4301 of the Virginia Code

d. Selection. On the basis of evaluation factors published in the Request for Proposals and all information developed in the selection process to this point, the Contracting Officer or his/her designee shall select in the order of preference two or more offerors whose professional qualifications and proposed services are deemed most meritorious. Section 2.2-4301 of the Virginia Code

e. Negotiations and Award. Negotiations shall be conducted, beginning with the offeror ranked first. If a contract satisfactory and advantageous to NRHA can be negotiated at a price considered fair and reasonable, the award shall be made to that offeror. Otherwise, negotiations with the offeror ranked first shall be formally terminated and negotiations shall be conducted with the offeror ranked second, and so on until such a contract can be negotiated at a fair and reasonable price. If the Contracting Officer determines that only one offeror is fully qualified, or if that offeror is clearly more qualified and suitable than the others under consideration, a contract may be negotiated and awarded to that offeror, regardless of a price differential. In such case, the Contracting Officer shall document his/her determination in writing. Section 2.2-4301 of the Virginia Code

3. Competitive Proposals for Professional Services Using Federal Funds.

Professional services are defined as work performed by an independent contractor within the scope of practice of accounting, architecture, land surveying, landscape architecture, law, dentistry, medicine, optometry, pharmacy or professional engineering, Section 2.2-4301 of the Virginia Code. Competitive proposals for architectural and engineering services shall be procured in accordance with the procedure set forth in Section D.2. above. Competitive proposals for professional services other than architect and engineering services shall be procured through competitive proposals, conducted as follows:

a. Solicitation. A written Request for Proposals shall be issued which specifies all evaluation factors and their relative importance, contractual terms and conditions and any requisite qualifications of the contractor. The Request for Proposal shall request that offerors furnish estimates of man-hours or costs for services. Price shall be used as a selection factor in all submissions except architectural/engineering professional services, regardless of the estimated value of the contract. Offerors are required to submit) cost proposals breaking down the elements of their proposed costs at the discussion phase. A mechanism for fairly and thoroughly evaluating the proposals shall be established before the solicitation is issued. Proposals shall be handled so as to prevent disclosure to third parties of the number of offerors, identity of the offerors, and the contents of their proposals. The proposals shall be evaluated only on the criteria stated in the Request for Proposals.



b. Notice. Notice of the Request for Proposals shall be provided at least ten calendar days prior to the date set for receipt of proposals by posting in a public area normally used for posting of public notices and by publication in a newspaper of general circulation. Public notice may also be published on the Department of General Services' electronic central procurement Web site and other appropriate Web sites. Proposals may also be solicited directly from potential contractors. Any such additional solicitations shall be made available to the Department of Minority Business Enterprise, 200-202 N. Ninth Street, 11th Floor, Richmond, Virginia 23219. Section 2.2-4301 of the Virginia Code

c. Proposal Evaluation. The Evaluation Panel shall evaluate the technical proposals according to an evaluation plan, which is developed prior to the issuance of the RFP. Cost Proposals are evaluated separately from technical proposals. For purposes of conducting negotiations, a determination should be made as to which proposals are in the competitive range. The competitive range decision should consider both the technical and the cost/price proposals, and the cost or price analysis.

d. Negotiations and Award. Negotiations shall be conducted with all offerors in the competitive range. Negotiations are held to promote understanding of NRHA's requirements and the offerors' proposals and to facilitate arriving at a contract that will be most advantageous to NRHA considering price and other evaluation factors set forth in the RFP. After negotiations are completed, the Contracting Officer shall establish a common date and time for submission of best and final offers. After best and final offers are received, a final round of technical and cost/price evaluations must occur. Contracts shall be awarded only in accordance with terms of the solicitation. Procurements using the competitive proposals method normally take into consideration both price and technical factors. If a contract satisfactory and advantageous to NRHA can be negotiated at a price considered fair and reasonable, the award shall be made to that offeror. Otherwise, negotiations with the offeror ranked first shall be formally terminated and negotiations shall be conducted with the offeror ranked second, and so on until such a contract can be negotiated at a fair and reasonable price. If the Contracting Officer determines that only one offeror is fully qualified, or if that offeror is clearly more qualified and suitable than the others under consideration, a contract may be negotiated and awarded to that offeror, regardless of a price differential. In such case, the Contracting Officer shall document his/her determination in writing.

4. Competitive Proposals for Other than Professional Services - shall be conducted as follows:

a. Solicitation. A written Request for Proposals shall be issued which specifies all evaluation factors, including price, and their relative importance, contractual terms and conditions and any requisite qualifications of the contractor. The Contracting Officer may consider best value concepts when procuring goods and nonprofessional services, but not construction or professional services. Criteria, factors and basis for consideration of best value and the process for the consideration of best value shall be stated in the procurement solicitation. "Best Value" means the overall combination of quality, price and various elements of required services that, in total, are optimal relative to the needs of the NRHA. Sections 2.2-4300 and 4301 of the Virginia Code

b. Notice. Notice of the Request for Proposals shall be provided at least ten calendar days prior to the date set for receipt of proposals by posting in a public area normally used for posting of public notices and by publication in a newspaper of general circulation. Public notice may also be published on the Department of General Services' electronic central procurement Web site and other appropriate Web sites. Proposals may also be solicited directly from potential contractors. Any such additional solicitations shall be made available to the Department of Minority Business Enterprise.

c. Selection. The Contracting Officer shall select two or more offerors deemed to be fully qualified and best suited among those submitting proposals, on the basis of the factors stated in the Request for Proposals, including price.



d. Negotiations. Negotiations shall be conducted with each of the offerors selected. Price shall be considered, but need not be the sole determining factor. A memorandum of negotiation objectives shall be prepared to outline the goals of the negotiation and to provide a basis for documenting the procurement file with results of the negotiations, thus helping to create a complete record to justify the selection of the winning contractor.

e. Award. After negotiations have been conducted with each offeror selected, the Contracting Officer shall select the offeror which, in his/her opinion, has made the best proposal and shall award the contract to that offeror. When the terms and conditions of multiple awards are so provided in the Request for Proposal, awards may be made to more than one offeror. If the Contracting Officer determines that only one offeror is fully qualified, or that one offeror is clearly more qualified than the others under consideration, a contract may be negotiated and awarded to that offeror, regardless of a price differential.

E. NONCOMPETITIVE PROCEDURES

1. Conditions for Use. Procurements shall be conducted competitively to the maximum extent possible. Procurement by noncompetitive proposals may be used only when the award of a contract is not feasible using small purchase procedures, competitive sealed bidding or competitive proposals, and one of the following applies:

a. Sole Source. The Chief Executive Officer or his designee determines in writing that there is only one source practicably available for that which is to be procured. The writing shall document the basis for the determination. The Contracting Officer shall issue a written Justification and Approval (J&A) stating that only one source was determined to be practicably available, and identifying that which is being procured, the contractor selected, and the date on which the contract was or will be awarded. For sole-source awards over \$50,000.00 shall be posted in a designated public area or published in a newspaper of general circulation on the day NRHA awards or announces its decision to award the contract, whichever occurs first. (See Section 2.2-4303E of the Virginia Code)

b. Emergency. An emergency exists that seriously threatens the public health, welfare, or safety, or endangers property, or would otherwise cause serious injury to NRHA as may arise by reason of a flood, earthquake, epidemic, riot, equipment failure, or similar event. In such cases, there must be an immediate and serious need for supplies, services, or construction such that the need cannot be met through any other procurement method, and the emergency procurement shall be limited to those supplies, services, or construction necessary to meet the emergency. Such procurement shall be made with such competition as is practicable under the circumstances. A written determination (J&A) of the basis for the emergency and for the selection of the particular contractor shall be included in the contract file.

NRHA shall issue a written notice (J&A) stating that the contract is being awarded on an emergency basis, and identifying that which is being procured, the contractor selected, and the date on which the contract was or will be awarded. This notice shall be posted in a designated public area or published in a newspaper of general circulation on the day NRHA awards or announces its decision to award the contract, whichever occurs first, or as soon thereafter as is practicable. Public notice may also be published on the Department of General Services' central electronic procurement website and other appropriate websites.

All emergencies over \$100,000 must have the CEO's signature on the J&A. If there is not adequate time to acquire a signature, a verbal commitment from the CEO is acceptable. However, the CEO's written signature shall be retrieved as soon as practical once the emergency has been minimized. Only a Warranted NRHA Contracting Officer, with the designated level of authorization, shall execute an emergency buy.



c. HUD authorized use of noncompetitive proposals. This includes those instances when HUD specifically authorized the use of non-competitive proposals for a particular contract or when an approved grant application specifically identifies a particular contractor for use on the project.

d. Inadequate Response. After solicitation of a number of sources, competition is determined to be inadequate.

2. Justification. Each procurement based on noncompetitive proposals shall be supported by a written J&A for using such procedures. The justification shall be approved in writing by the Contracting Officer and the Director of Administrative Services, and if over \$30,000.00, shall be approved and signed by the Chief Executive Officer.

3. Price Reasonableness. The reasonableness of the price for all procurements based on noncompetitive proposals shall be determined by performing a cost estimate, as described in Section IIIF below.

F. COST AND PRICE ESTIMATES

1. General. An Independent Cost Estimate (ICE) or price estimate shall be performed for all procurement actions, including change orders. The method of estimating costs and the detail of the estimate will depend on the facts surrounding each procurement. Cost estimates shall be maintained in the contract file.

2. Submission of Cost or Pricing Information. If the procurement is based on noncompetitive proposals or when only one bid or offer is received, the bidder or offeror shall be required to submit:

- a. a cost breakdown showing projected costs and profits;
- b. commercial pricing and sales information, sufficient to enable NRHA to verify the reasonableness of the proposed price such as a catalog or market price of a commercial product sold in substantial quantities to the general public; or
- c. documentation showing that the offered price is set by law or regulation.

3. Cost Analysis. Cost analysis shall be performed if an offeror/contractor is required to submit the elements of his estimated cost, e.g., under professional, consulting, and architectural engineering services contracts. When a cost breakdown is submitted: a cost analysis shall be performed of the individual cost elements; NRHA shall have a right to audit the contractor's books and records pertinent to such costs; and profit shall be analyzed separately. Costs shall be allowable only to the extent that they are consistent with applicable Federal cost principles (for commercial firms, Subpart 31.2 of the Federal Acquisition Regulation, 48 CFR Chapter 1). In establishing profit, NRHA shall consider factors such as the complexity and risk of the work involved, the contractor's investment and productivity, the amount of subcontracting, the quality of past performance, and industry profit rates in the area for similar work.

4. Price Analysis. A comparison of prices shall be used in all cases other than those described above.

G. CANCELLATION OF SOLICITATIONS

1. An Invitation for Bids or Request for Proposals may be cancelled before the offers or bids are due if: NRHA no longer requires the supplies, services or construction; NRHA can no longer reasonably



expect to fund the procurement; proposed amendments to the solicitation would be of such magnitude that a new solicitation would be desirable; or similar reasons.

2. A solicitation may be cancelled and all bids or proposals that have already been received may be rejected at any time prior to awarding a contract if: the supplies, services, or construction are no longer required; ambiguous or otherwise inadequate specifications were part of the solicitation; the solicitation did not provide for consideration of all factors of significance to NRHA; prices exceed available funds and it would not be appropriate to adjust quantities to come within available funds; there is reason to believe that bids or proposals may not have been independently arrived at in open competition, may have been collusive, or may have been submitted in bad faith; or for good cause of a similar nature when it is in the best interest of NRHA.

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

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

5. If all otherwise acceptable bids received in response to an Invitation for Bids are at unreasonable prices, or only one bid is received and the price is unreasonable, NRHA shall cancel the solicitation and either:

a. resolicit using a Request for Proposals; or

b. complete the procurement by using the competitive proposal method (when more than one otherwise acceptable bid has been received) or by using the noncompetitive proposals method (when only one bid is received at an unreasonable price); provided, that the Contracting Officer determines in writing that such action is appropriate, all bidders are informed of NRHA's intent to negotiate, and each responsible bidder is given a reasonable opportunity to negotiate.

H. COOPERATIVE PROCUREMENT

NRHA may enter into Federal, State or local cooperative procurement agreements to purchase or use common goods and services. Unless NRHA is a participant in the original procurement process, professional services may not be obtained by cooperative procurement. The decision to use a cooperative procurement agreement or conduct a direct procurement shall be based on economy and efficiency. If used, the cooperative procurement agreement shall state that competitive procurement principles were used in the awarding of the underlying contract and further the agreement shall stipulate who is authorized to purchase on behalf of the participating parties and shall specify inspection, acceptance, termination, payment and other relevant terms and conditions. NRHA is encouraged to use Federal or State excess and surplus property instead of purchasing new equipment and property whenever such use is feasible and reduces project costs.

I. WAIVER OF INFORMALITIES

NRHA may waive informalities in bids. An informality is a minor defect or non-material variation in a bid which differs from what was required by the Invitation for Bids but which does not affect price, quality, quantity or delivery schedule of the goods, services or construction being procured.

J. CONFLICT BETWEEN FEDERAL AND STATE REQUIREMENTS

Where a procurement transaction involves the expenditure of Federal assistance or contract funds, the receipt of which is conditioned upon compliance with mandatory requirements in Federal laws or



regulations not in conformance with the provisions of the Virginia Public Procurement Act, the Authority may comply with such Federal requirements, only upon written determination of the Commissioners that acceptance of the grant or contract funds under the applicable conditions is in the public interest. Such determination shall state the specific provision of the Virginia Public Procurement Act in conflict with the conditions of the grant or contract.

K. CHANGE ORDERS

No fixed price contract may be increased by one or more change orders without the approval of the Commissioners where the change order(s) in the aggregate exceeds \$50,000.00 or 25% of the amount of the contract, whichever is the greater (Va. Code §2.2-4309). All change order approvals are subject to the availability of budgeted funds at the time of change order issuance. Change orders for \$100,000.00 or more, regardless of funding source, and all change orders which modify the scope of work require NRHA Board prior approval before implementation.

IV. CONTRACTOR QUALIFICATIONS AND DUTIES

A. CONTRACTOR RESPONSIBILITY

Procurements shall be conducted only with responsible contractors, i.e., those who have the technical and financial competence to perform and who have a satisfactory record of integrity. Before awarding a contract, NRHA shall review the proposed contractor's ability to perform the contract successfully, considering factors such as the contractor's integrity (including a review of the List of Parties Excluded from Federal Procurement and Non-procurement Programs published by the U.S. General Services Administration), compliance with public policy, record of past performance (including contacting previous clients of the contractor, such as other public housing authorities), and financial and technical resources. If a prospective contractor is found to be non-responsible, a written determination of non-responsibility shall be prepared and included in the contract file, and the prospective contractor shall be advised of the reasons for the determination.

B. CONTRACTOR PERFORMANCE ASSESSMENT REPORTING

All contractors/vendors shall be assessed annually for their performance on a contract. Confidence in a prospective contractor's ability to perform satisfactorily or better is an important factor in making a best-value source selection decision. One method of gaining this confidence is the evaluation of a prospective contractor's performance on recently completed or ongoing contracts for the same or similar goods or services. The collection and use of past performance information (PPI) motivates contractors to improve their performance because of the potential use of that information in future source selections. A final assessment shall be completed and inserted in the contract file at contract closeout.

C. SUSPENSION AND DEBARMENT

Contracts shall not be awarded to debarred, suspended, or ineligible contractors. Contractors may be suspended, debarred, or determined ineligible by HUD in accordance with HUD regulations (24 CFR Part 24) or by the Commissioners pursuant to the Virginia Public Procurement Act (Section 2.2-4321) when necessary to protect NRHA in its business dealings.

D. QUALIFIED BIDDER'S LISTS

Interested businesses shall be given an opportunity to be included on any qualified bidder's lists. Any prequalified lists of persons, firms, or products which are used in the procurement of supplies and services shall be kept current and shall include enough qualified sources to ensure competition. Firms shall not be precluded from qualifying during the solicitation period. Solicitation mailing lists of potential contractors shall include, but not be limited to, such prequalified suppliers.



V. TYPES OF CONTRACTS, CLAUSES, AND CONTRACT ADMINISTRATION

A. CONTRACT TYPES

Any type of contract which is appropriate to the procurement and which will promote the best interests of NRHA may be used provided that the cost-plus-a-percentage-of-cost and percentage of construction cost methods are prohibited. All procurements shall include the clauses and provisions necessary to define the rights and responsibilities of the parties. A cost reimbursement contract shall not be used unless it is likely to be less costly or it is impracticable to satisfy NRHA's needs otherwise, and the proposed contractor's accounting system is adequate to allocate costs in accordance with applicable cost principles (for commercial firms, Subpart 31.2 of the Federal Acquisition Regulation (FAR), found in 48 CFR Chapter 1). A time and materials contract may be used only if a written determination is made that no other contract type is suitable, and the contract includes a ceiling price that the contractor exceeds at its own risk.

B. OPTIONS

Options for additional quantities or performance periods may be included in contracts, provided that: (i) the option is contained in the solicitation; (ii) the option is a unilateral right of NRHA; (iii) the contract states a limit on the additional quantities and the overall term of the contract; (iv) the options are evaluated as part of the initial competition; (v) the contract states the period within which the options may be exercised; (vi) the options may be exercised only at the price specified in or reasonably determinable from the contract; and (vii) the options may be exercised only if determined to be more advantageous to NRHA than conducting a new procurement.

C. CONTRACT CLAUSES

In addition to containing a clause identifying the contract type, all contracts shall include any clauses required by Federal statutes, executive orders, and their implementing regulations, as provided in 24 CFR 85.36(i).

All contracts in excess of \$10,000 shall contain a "drug-free workplace" provision as set forth in Va. Code §2.2-4312 and an "anti-discrimination clause" as set forth in Va. Code §2.2-4311.

The operational procedures required by Section IIA of this statement shall contain the text of all clauses and required certifications (such as required non-collusive affidavits) used by the NRHA.

D. CONTRACT ADMINISTRATION

A contract administration system designed to ensure that contractors perform in accordance with their contract shall be maintained.

The operational procedures required by Section IIA above shall contain guidelines for inspection of supplies, services, or construction, as well as monitoring contractor performance, status reporting on construction contracts, and similar matters. For cost reimbursement contracts with commercial firms, costs are allowable only to the extent that they are consistent with the cost principles in FAR Subpart 31.2.

VI. SPECIFICATIONS

A. GENERAL

All specifications shall be drafted so as to promote overall economy for the purposes intended and to encourage competition in satisfying NRHA's needs. Specifications shall be reviewed prior to



solicitation to ensure that they are not unduly restrictive or represent unnecessary or duplicative items. Functional or performance specifications are preferred. Detailed product specifications shall be avoided whenever possible. Consideration shall be given to consolidating or breaking out procurements to obtain a more economical purchase (but see VIII, Assistance to Small and Other Businesses, below). Appropriate contract clauses for the implementation of the Section 3 Program (found in 24 CFR Part 135) shall be inserted in all applicable contracts. For equipment purchases, a lease versus purchase analysis should be performed to determine the most economical form of procurement.

B. LIMITATIONS

The following specification limitations shall be avoided: geographic restrictions not mandated or encouraged by applicable Federal law (except for architect-engineer contracts, which may include geographic location as a selection factor if adequate competition is available); unnecessary bonding or experience requirements; brand name specifications (unless a written determination is made that only the identified item will satisfy NRHA's needs); brand name or equal specifications (unless they list the minimum essential characteristics and standards to which the item must conform to satisfy its intended use). Nothing in this Statement shall preempt any State licensing laws. Specifications shall be scrutinized to ensure that organizational conflicts of interest do not occur (for example, having a consultant perform a study of NRHA's computer needs and then allowing that consultant to compete for the subsequent contract for the computers).

VII. APPEALS AND REMEDIES

A. GENERAL

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

B. BID PROTESTS

Any actual or prospective contractor may protest the solicitation for serious violations of the principles of this Statement or may protest the award or decision to award a contract. Any protest against a solicitation must be received before the due date for receipt of bids or proposals. Any protest against the award or decision to award the contract must be received within ten calendar days after public notice of contract award, or announcement of the decision to award, whichever occurs first. Public notice or announcement of the award shall be given in the manner prescribed by the Invitation for Bids or Request for Proposal. Any protest which is not made within the specified time limit will not be considered. All bid protests shall be in writing, submitted to the Contracting Officer or designee, who shall issue a written decision on the matter within ten days thereafter.

An award need not be delayed for the period allowed a bidder or offeror to protest, but in the event of a timely protest, no further action to award the contract will be taken unless there is a written determination that proceeding without delay is necessary to protect the public interest or unless the bid or offer would expire.

C. CONTRACT CLAIMS

All claims by a contractor relating to performance of a contract shall be submitted in writing to the Contracting Officer or designee for a written decision. The contractor may request a conference on the



claim. The Contracting Officer's decision shall inform the contractor of its appeal rights to the Chief Executive Officer.

VIII. ASSISTANCE TO SMALL AND OTHER BUSINESSES

A. REQUIRED EFFORTS

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

- a. Including such firms, when qualified, on solicitation mailing lists;
- b. Encouraging their participation through direct solicitation of bids or proposals whenever they are potential sources;
- c. Dividing total requirements, when economically feasible, into smaller tasks or quantifies to permit maximum participation by such firms;
- d. Establishing delivery schedules, where the requirement permits, which encourage participation by such firms;
- e. Using the services and assistance of the Small Business Administration, the Minority Business Development Agency of the Department of Commerce and the Department of Minority Business Enterprise;
- f. Including in contracts a clause requiring contractors, to the greatest extent feasible, to provide opportunities for training and employment for lower income residents of the project area and to award subcontracts for work in connection with the project to business concerns which are located in, or owned in substantial part by persons residing in the area of the project, as described in 24 CFR 135 and Section 3 of the Housing and Urban Development Act of 1968;
- g. Requiring prime contractors, when subcontracting is anticipated, to take the positive steps listed in A.1.a. through A.1.f. above;
- h. When possible, include in real estate and development contracts a negotiated clause adopting the requirements of Section 3 as set forth in 24 CFR 135; and
- i. Monitor Section 3, minority and women-owned business contracts by performance tracking, reporting and compliance.

2. Goals may be established by NRHA periodically for participation by small businesses, minority-owned businesses, women's business enterprises, labor surplus area businesses, and business concerns which are located in, or owned in substantial part by persons residing in the area of the project, in NRHA's prime contracts and subcontracting opportunities.



B. DEFINITIONS

1. A small business is defined as a business which is: independently owned; not dominant in its field of operation; and not an affiliate or subsidiary of a business dominant in its field of operation. The size standards in 13 CFR 121 shall be used, unless NRHA determines that their use is inappropriate.

2. A minority-owned business is defined as a business which is at least 51% owned by one or more minority group members; or, in the case of a publicly-owned business, one in which at least 51% of its voting stock is owned by one or more minority group members, and whose management and daily business operations are controlled by one or more such individuals. Minority group members include, but are not limited to Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans and Asian Indian Americans, and Hasidic Jewish Americans.

3. A women's business enterprise is defined as a business that is at least 51% owned by a woman or women who are U.S. citizens and who also control or operate the business.

4. A labor surplus area business is defined as a business which, together with its immediate subcontractors, will incur more than 50% of the cost of performing the contract in an area of concentrated unemployment or underemployment, as defined by the U.S. Department of Labor in 20 CFR 654, Subpart A, and in lists of labor surplus areas published by the Employment and Training Administration.

5. A business concern located in the area of the project, is defined as an individual or firm located within the relevant Section 3 covered project area, as determined pursuant to 24 CFR 135.15, listed in HUD's registry of eligible business concerns, and meeting the definition of small business above. A business concern owned in substantial part by persons residing in the area of the project is defined as a business concern which is 51% or more owned by persons residing within the Section 3 covered project, owned by persons considered by the U.S. Small Business Administration to be socially or economically disadvantaged, listed on HUD's registry of eligible business concerns, and meeting the definition of small business above.

IX. ETHICS IN PUBLIC CONTRACTING

A. CONFLICT OF INTEREST

1. No employee, officer or agent of NRHA shall participate directly or indirectly in the selection or in the award or administration of any contract if a conflict, real or apparent, would be involved. Such conflict would arise when a financial or other interest in a firm selected for award is held by:

- a. An employee, officer or agent involved in making the award;
- b. His/her relative (including father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother or half sister);
- c. His/her partner; or
- d. An organization which employs, is negotiating to employ, or has an arrangement concerning prospective employment of any of the above.

2. Except as provided in subdivisions A2 and A3 of Va. Code §2.1-639.11 (State and Local Government Conflict of Interests Act), no NRHA employee having official responsibility for a



procurement transaction shall participate in that transaction on behalf of NRHA when the employee knows that:

a. The employee is contemporaneously employed by a bidder, offeror or contractor involved in the procurement transaction; or

b. The employee, the employee's partner, or any member of the employee's immediate family holds a position with a bidder, offeror or contractor such as an officer, director, trustee, partner or the like, or is employed in a capacity involving personal and substantial participation in the procurement transaction, or owns or controls an interest of more than five percent; or

c. The employee, the employee's partner, or any member of the employee's immediate family has a pecuniary interest arising from the procurement transaction; or

d. The employee, the employee's partner, or any member of the employee's immediate family is negotiating, or has an arrangement concerning prospective employment with a bidder, offeror or contract.

3. "Immediate family" means a spouse, children, parents, brothers and sisters and any other person living in the same household as the employee, officer or agent.

4. "Pecuniary Interest arising from the procurement" means a personal interest in a contract whether arising from being a party to the contract or due to a personal interest in a business which is a party to the contract.

5. "Personal interest" shall have the meaning set forth in the Virginia State and Local Government Conflicts of Interest Act.

B. GRATUITIES, KICKBACKS, AND USE OF CONFIDENTIAL INFORMATION

NRHA officers, employees or agents shall not solicit or accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to subcontractors, and shall not knowingly use confidential information for actual or anticipated personal gain.

C. PROHIBITION AGAINST CONTINGENT FEES

Contractors shall not retain a person to solicit or secure an NRHA contract for a commission, percentage, brokerage, or contingent fee, except for bona fide employees or bona fide established commercial selling agencies.

X. HUD REVIEW AND PRIOR APPROVAL REQUIREMENTS

Upon request by HUD, the following contract actions require HUD approval for Federal funds.

A. GENERAL REVIEW AND APPROVAL

1. Contracting Actions. The following contracting actions require prior HUD approval:

a. All solicitations and contracts if it is determined by HUD that NRHA's procurement procedures or operations fail to comply with the procurement standards in 24 CFR 85.36(b) 24 CFR 85.36(g)(2)(i);

b. Noncompetitive procurements expected to exceed the Federal small purchase threshold;



- c. Brand name-only procurements expected to exceed the Federal small purchase threshold;
 - d. Awards over the Federal small purchase threshold to other than the apparent low bidder under a sealed bid;
 - e. Proposed contract modifications that change the scope of the contract (as per the “Changes” clause in forms HUD-5370, HUD-5370-C or HUD-5370-EZ) or increasing the contract amount by more than the Federal small purchase threshold;
 - f. Use of the QBS method of procurement for other than A/E services, joint venture partners or developers, or energy service contracts;
 - g. Procurements for legal or other non-personal services in connection with litigation, per HUD’s Litigation Handbook, that exceeds \$100,000;
 - h. Procurements that exceed the amount included in (1) the HUD-approved Development Cost Budget or (2) where HUD has required prior approval on a Notice of Deficiency or corrective action order under the Capital Fund Program;
 - i. Contracts that exceed five years, including options. To approve terms in excess of five years, Field Offices must determine there is no practical alternative;
 - j. Solicitations, and any resulting contracts, related to energy performance contracting and utility add-ons, as per Chapter 17 of Handbook No. 7460.8 REV 2.
1. Solicitation and contracts by any PHA whose procurement procedures or operations fail to comply with the procurement standards in 24 CFR 85.36.

2. Submission Requirement and HUD Approval. NRHA shall submit all paperwork necessary for HUD to review the contracting actions identified above. The HUD Field Office will review this information, and will indicate what additional information may be necessary, as appropriate, to ensure compliance with 24 CFR 85.36 and the applicable sections of this policy. For non-competitive proposals, specifically, NRHA shall comply with the instructions in Chapter 8 of Handbook No. 7460.8 REV 2. Any changes to HUD forms or waivers to the handbook must be sent to HUD Headquarters Office of Public Housing for review and approval.

B. DEVELOPMENT

NRHA shall submit to the HUD Field Office for prior approval A/E contracts, fee appraiser contracts, development manager contracts, construction solicitations, construction contracts, and contract modifications.

C. Exemption from Pre-Award Review

NRHA shall be exempt from the pre-award review required in paragraph A above if:

1. NRHA requests, and HUD subsequently certifies, that its procurement system be reviewed by the Field Office to determine if its systems meet the standards under 24 CFR 85.36 and the essential requirements of Handbook No. 7460.8 REV 2; or
2. NRHA self-certifies that its procurement system meets the standards under 24 CFR 85.36 and the essential requirements of Handbook No. 7460.8 REV 2 and HUD Handbook 7485.1.