

## 1.0

### STATEMENT OF PROCUREMENT POLICY

Established for the Housing Authority  
of the Birmingham District  
Adopted November 20, 2000

This statement of Procurement Policy includes all HUD requirements under the Annual Contributions Contract (ACC) as amended by 24 CFR Part 85.36 and mandated standards in HUD Handbook 7460.8 REV-1, "Procurement Handbook for Public Housing Agencies".

#### 1.0 General

**1.1 Purpose.** The purpose of the Statement of Procurement Policy is to assure that goods, services and construction contracts are procured efficiently, effectively, at the most favorable prices available to the HABD; promoting full and open competition in contracting; providing safeguards for maintaining a system of quality and integrity; and to assure that HABD purchasing actions are in full compliance with the applicable HUD regulations and state and local laws.

**1.2 Application.** This Statement of Procurement Policy applies to all contracts for the procurement of supplies, services and construction entered into by the HABD after the effective date of this Statement. It shall apply to every expenditure of funds by the HABD for public purchasing, irrespective of the source of funds, including contracts which do not involve an obligation of funds; however, nothing in this Statement shall prevent the HABD from complying with the terms and conditions of any grant, contract, gift or bequest that is otherwise consistent with the law. The term "procurement", as used in this Statement, includes both contracts and modifications, including change orders, for construction or services, as well as purchase, lease, or rental of supplies and equipment.

**1.3 Public Access to Procurement Information.** Procurement information shall be a matter of public record to the extent provided in the Code of Alabama, Section 36-12-40, which permits citizens to inspect and copy public writings.

#### 2.0 Procurement Authority and Administration

**2.1** The procurement policy shall be administered by the Contracting Officer, who shall be the Executive Director or other individual he/she has authorized in writing, to act on is/her behalf. The Executive Director shall be responsible for developing operational procedures to implement this procurement policy. The Executive Director shall also establish a system of sanctions for violations of ethical standards, consistent with Alabama State law (41-16-30, et seq., 1975, Code of Alabama).

**2.2** The Executive Director or his/her designee shall insure:

**2.2.1** The annual procurements are adequately and timely planned;

**2.2.2** Contracts and modifications in writing, clearly specifying the desired supplies, services 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 type;

**2.2.3** Public notice for all procurements above the small purchase limit, shall be given in at least one local newspaper of general circulation, for a period of not less than one day as required by Alabama Law 41-16-24. Such notices shall be honored to the maximum extent possible as deemed necessary to insure competition;

**2.2.4** An independent cost estimate is prepared before solicitation issuance and is appropriately safeguarded for each procurement above the small purchase limitation, and a cost or price analysis is conducted of the responses received for all procurements;

**2.2.5** Contract award is made to the responsive and responsible bidder offering the lowest price for sealed bid contracts, or offeror whose proposal offers the greatest value to the HABD, considering price, technical and other factors as specified in the solicitation for competitive proposals. Unsuccessful firms will be notified within ten (10) days after contract award;

**2.2.6** There are sufficient identified funds, available to cover the anticipated cost of each procurement before contract award or modification, including change orders, work is inspected before payment, and payment is made promptly for contract work performed and accepted; and,

**2.2.7** The HABD complies with applicable HUD review requirements, as provided in the operational procedures supplementing this Statement.

**2.3** This Statement and any later changes shall be submitted to the Board of Commissioners of approval. The Board appoints and delegates procurement authority to the Executive Director and is responsible for insuring that any procurement policies adopted are appropriate for the HABD.

### **3.0 Procurement Methods**

**3.1 Selection of Method.** The HABD shall select one of the following procurement methods, based on the nature and anticipated dollar value of the total requirement.

## **3.2 Small Purchase Procedures**

**3.2.1 General.** Any contract not exceeding \$7,500.00 may be made in accordance with the small purchase procedures authorized in this section. Contract requirements shall not be artificially divided so as to constitute a small purchase under this section.

**3.2.2 Petty Cash Purchases.** Small purchase under \$100.00 that can be satisfied by local sources may be processed through the use of a petty cash account. This account shall be periodically reconciled and replenished by submission of a voucher to the HABD Director of Finance and Accounting; and, the account shall periodically be audited by the same or his/her designee to validate proper use and to verify that the account total equals cash on hand plus the total accumulated vouchers.

**3.2.3 Small Purchases.** For small purchases below \$1,000.00, only one quotation will need to be solicited if the price received is considered reasonable. If practicable, a quotation shall be solicited from other than the previous source before placing a repeat order. For small purchases in excess of \$1,000.000 but not exceeding \$7,500.00 no less than three price quotes shall be solicited. Price quotations 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. 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 public record.

**3.3 Request for Written Quotation.** For purchases in excess of \$7,500.00 but not exceeding \$50,000.00, a formal request for written price quotation (RFQ) shall be solicited by notification to supplier/contractors on the HABD Vendor Bid List, by formal advertisement in a newspaper of general circulation and by public notice posted on the bulletin board outside the HABD Procurement Office. No less than three written quotes shall be obtained. Award shall be made to the offeror providing the lowest acceptable quotation unless justified in writing based on price and other special factors. 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 contracted, and the date and amount of each quotation shall be recorded and maintained as public record.

**3.4 Sealed Bidding.** For purchases in excess of \$50,000.00, an invitation for bid (IFB) shall be issued including specifications and all contractual terms and conditions applicable to the procurement, including a statement that award will be made to the lowest responsible and responsive bidder whose bid meets the requirements set forth in the invitation for bids. The IFB shall state the time and place, for both the receipt of bids and the public bid opening. Bids shall be publicly solicited by notification to suppliers/contractors on the HABD Vendor Bid List, by formal advertisement in a newspaper of general circulation, and by public notice posted on the bulletin board outside the HABD Procurement Office. All bids received shall be time/date stamped,

and maintained unopened in a secure place until bid opening. A bidder may withdraw his/her bid at any time prior to bid opening. Bids shall be publicly opened in the presence of at least one witness. An abstract of bids shall be recorded and the bids shall be made available for public inspection. Award shall be made as provided in the IFB by written notice to the successful bidder. If equal low bids are received from responsible bidders, award shall be made by drawing lots or similar random method. 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.

The results of all sealed bid purchases shall be reported to the HABD Board of Commissioners at the next regularly scheduled Board Meeting following the contract date of the sealed bid purchase.

**3.5 Competitive Proposals.** The competitive proposal method shall be used when sealed bidding is not feasible.

**3.5.1** Services in general, shall be procured on the basis of competitive proposals. The request for proposal (RFP) shall clearly identify the evaluation factors and their relative importance. Proposals shall be publicly solicited by notification to suppliers/contractors on the HABD Vendor Bid List, by formal advertisement in a newspaper of general circulation, and by public notice posted on the bulletin board outside the HABD Procurement Office. The proposals shall be evaluated only on the criteria identified in the RFP. Negotiations shall be conducted with offerors who submit proposals determined to be in the competitive range. Best and final offers shall be requested and delivered at a date and time specified by the Contracting Officer. A final round of technical and cost evaluations shall occur and the award shall be made to the offeror whose qualifications, price and other factors considered, are most advantageous to the HABD.

**3.5.2** Architectural/Engineering services in excess of \$5,000.00 shall be obtained through qualification based procurement. The RFP shall identify the evaluation factors, where price is not used as a selection factor. The most qualified competitor shall be selected on the basis of such evaluation subject to the negotiation of a fair and reasonable compensation. Architectural/Engineering services less than \$5,000.00 will be obtained using Small Purchase Procedures, Section 3.2.

**3.6 Non-Competitive Proposals.** Procurement by Non-Competitive Proposals shall be used only when procurement by the aforementioned methods are infeasible. This involves emergency situations endangering life or property, sole source procurement and not receiving responses to solicitations. The proposed award of contracts by this method shall always be based on a thorough cost analysis. The proposed award shall be submitted to HUD for concurrence.

**3.7 Purchases Under Federal, State or Local Government Contracts.** The HABD shall enter into any available governmental agreement to procure under federal,

state, county or city contracts. The agreement shall stipulate that the HABD is authorized to procure under such agreement.

**4.0 Cost and Price Analysis.** A cost or price analysis shall be performed on all procurement actions, including contract modifications. The degree of analysis shall depend on the facts surrounding each procurement.

**5.0 Contract Administration.** A contract administration system designed to insure that contractors perform in accordance with their contract shall be maintained. The operational procedures required by Section 2.1 above shall contain guidelines for inspection of supplies, services, or construction, as well as monitoring contractor performance, status reporting on construction contracts, and other related matters.

**6.0 Appeals and Remedies.**

**6.1** The resolution of disputes arising from the solicitation and award of contracts, bid protests, and contract performance claims shall be conducted in full compliance with the applicable HUD regulations. Efforts shall be made to resolve all disputes at the HABD level.

**6.2** In the event a bidder or offeror protests an award or decision to award a contract and files that protest in writing within ten working days after the award, the Executive Director will respond to such protest by certified mail, return receipt requested, within then working days from the date of receipt of the written protest. The response will state the reasons for the action taken and advise the protestor that all records concerning the disputed award are available for inspection. The decision may be appealed within thirty days of receipt by written notice to the Executive Director.

**7.0 Geographical Preferences.**

In accordance with the standards established in 24 CFR 85.36, geographical preferences are prohibited.

**8.0 Bidders List.** Interested businesses shall be given an opportunity to be included on the HABD bidder's list. Any lists of persons, firms, or products that are used in the procurement of supplies or services shall be kept current and shall include enough sources to assure competition. Firms shall not be precluded from being added to the list during the solicitation period. Solicitation mailing lists of potential contractors shall include, but not be limited to such suppliers. The HABD bidder's list shall be open for public inspection.

**9.0 Documentation.** All procurement of equipment, supplies and non-personal services shall be documented. Expenditures reimbursed from the petty cash fund shall not exceed \$50.00. All other purchases shall be made by a standard purchase order. Each purchase, except purchases reimbursed by the petty cash fund shall be supported by a purchase request approved by the Executive Director or other individual authorized by

him/her in writing. Purchase requests shall be filed, with all other related purchasing documents, in the Procurement Office.

**10.0 Affirmative Action Plan.** Consistent with Presidential Executive Orders 11625.12138 and 12432, and Section 3 of HUD Act of 1968, positive efforts shall be made by the Executive Director or his/her designee, to use small, minority-owned and women-owned businesses, whenever possible. Such efforts shall include, but not be limited to:

**10.1** Including such firms, when qualified, on the HABD bidders list;

**10.2** Encouraging their participation through direct solicitation of bids or proposals whenever they are potential sources;

**10.3** Using the services and assistance of the Small Business Administration, the Minority Business Development Organization, the Birmingham Chamber of Commerce, and other similar organizations which encourage and support such firms;

**10.4** Encouraging contractors 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 projects, as described in 24 CFR 135; and,

**10.5** Requiring prime contractors, when subcontracting is anticipated, to take the affirmative action steps described in 24 CFR 85.36.

## **11.0 Code of Conduct**

**11.1** No employee, officer, Commissioner or agent of the HABD shall participate 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 substantial financial or other interest in a firm selected for award is held by:

- (a) an employee, officer, Commissioner, or agent involved in making the award;
- (b) any member or his/her immediate family (as defined in the HABD Human Resources Policy);
- (c) his/her partner; or,
- (d) an organization in which any of the above is a partner, owner or significant shareholder (i.e., controls in excess of 10% of outstanding stock, etc.)

**11.2** HABD officers, employees or agent; shall not solicit or accept gratuities, favors or anything of monetary value from vendors, contractors, potential

contractors, or parties to subcontracts, and shall not knowingly use confidential information for actual or anticipated personal gain.

**12.0 Alabama Competitive Bid Law.** If purchases or contracts are to be made using State, County or City monies, the Alabama Competitive Bid Law (41-16-50, et. Seq., 1975, Code of Alabama) applies.