



# VIRGIN ISLANDS HOUSING AUTHORITY Procurement Policy

AMENDED – APRIL 26, 2023

## **St. Thomas/St. John**

9900 Oswald Harris Court  
St. Thomas, VI 00802  
(340) 777-VIHA (8442)

## **St. Croix**

#5 Estate Bethlehem  
St. Croix, VI 00851  
(340) 778-VIHA (8+12)  
(340) 773-3054 (Fax)

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**RECORD OF PROCUREMENT POLICY REVISIONS**

Type of Action	Description of Action	Resolution Date	Resolution No.
Regulatory	Amends Procurement Policy to clarify and memorialize procurement actions facilitated by VIHA's development and other second-tier contractors.	April 26, 2023	
Regulatory	Amends Procurement Policy based on updated HUD procurement requirements located 2 CFR §§ 200.318 through 200.327	September 22, 2021	N/A
Regulatory	Amends Procurement Policy to maintain compliance with Department of Housing and Urban Development Office of Community Planning and Development Community Development Block Grant Disaster Recovery (CDBG-DR) grantees-Non-Public Funds Procurement and to maintain compliance with Americans with Disabilities Act (ADA) and amendments, Fair Housing Act (FHAct), and Uniform Federal Accessibility Standards (UFAS).	November 28, 2019	3561
Regulatory	Amends Procurement Policy to maintain compliance with Sec 806 of the National Defense Authorization Act (NDAA), which raised the simplified acquisition threshold from \$100,000 to <b><u>\$250,000</u></b> .	June 20, 2018	N/A
Regulatory	<b>Procurement Standards</b> 2 CFR §§ 200.317 through 200.326: Amends Procurement Policy to implement the HUD-mandated transition for procurement activities from 24 CFR §85.36 to 2 CFR §§ 200.317 through 200.326.	June 28, 2017	3521
Regulatory	Amends Procurement Policy to ensure that the Procurement Policy complied with the new Federal Regulations at 2 CFR §§ 200.317 - 200.326.	September 25, 2013	3400

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Advisory	Amends Procurement Policy to implement the HUD-mandated transition for procurement activities from the procurement standards of HUD Handbook 7460.8, Rev 1 to HUD Handbook 7460.8, Rev 2.	August 27, 2008	3202
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This Amended Procurement Policy ("the Policy") is established for the Virgin Islands Housing Authority ("VIHA") and is adopted by the VIHA Board of Commissioners and the Executive Director's action on November 28, 2018. The effective date of this Policy is September 22, 2021. The Policy shall supersede and replace the Procurement Policy last revised and approved on November 28, 2018.

This Policy embraces the flexibility of the Annual Contributions Contract and complies with the Annual Contributions Contract ("ACC") between the VIHA and the U. S. Department of Housing and Urban Development ("HUD"), Federal Regulations at 2 Code of Federal Regulations ("CFR") §§ 200.318 - 200.327, and applicable State/Territory and Local laws.

## **1.0 SECTION 1 – GENERAL PROVISIONS**

### **1.1 Purpose**

The VIHA shall provide for a procurement system of quality and integrity; provide for the fair and equitable treatment of all persons or firms involved in procurement by the VIHA; ensure that supplies and services (including construction) are procured efficiently, effectively, and at the most favorable prices available to the VIHA; promote competition in contracting; and assure that VIHA purchasing actions are in full compliance with applicable Federal standards, HUD regulations, State/Territory, and local laws.

### **1.2 Application**

This Policy applies to all procurement actions of the VIHA, regardless of the source of funds, except as noted in Sections 1.4 and 1.5, below. However, nothing in this Policy shall prevent the VIHA from complying with the terms and conditions of any grant, contract, gift or bequest that is otherwise consistent with the law. When both HUD and non-Federal grant funds are used for a project, the work to be accomplished with the funds should be separately identified prior to procurement so that appropriate requirements can be applied, if necessary. If it is not possible to separate the funds, HUD procurement regulations shall be applied to the total project. If funds and work can be separated and work can be completed by a new contract, then regulations applicable to the source of funding may be followed.

### **1.3 Definition**

The term procurement, as used in this Policy, includes the procuring, purchasing, leasing, or renting of: (1) goods, supplies, equipment, and materials, (2) construction and maintenance; (3) professional and consultant services, (4) Architectural and Engineering (A/E) services, (5) Social Services, and (6) other services.

**1.4 Exclusions**

This Policy does not govern administrative fees earned under the Section 8 Voucher Program/Housing Choice Voucher Program (“HCVP”), the award of vouchers under the Section 8 program, the execution of landlord Housing Assistance Payments contracts under that program, or non-program income, e.g., fee-for-service revenue or Central Office Cost Center expenditures under 24 CFR Part 990. These excluded areas are subject to applicable State and local requirements.

**1.5 Non-Public Funds Procurement**

This Statement does not apply to VIHA’s expenditure of funds that are not provided or regulated by Federal, state and local government (Non-Public Funds). VIHA shall comply with all applicable laws regarding the expenditure of Non-Public Funds, and the process and procedures for the expenditure of such funds shall be set forth in VIHA’s Operational Procurement Procedures.

**1.6 Changes in Laws and Regulations**

In the event an applicable law or regulation is modified or eliminated, or a new law or regulation is adopted, the revised law or regulation shall, to the extent inconsistent with these Policies, automatically supersede these Policies.

Any material modification of any of the policies set forth in this Policy must be approved by the VIHA Board of Commissioners (herein referred to as "the Board") except that the Executive Director is authorized to correct inconsistencies, make such non-material changes, additions, corrections or amendments as he/she may deem necessary or advisable, or make such other changes as may be required by HUD or as a result of changes in Federal regulations, without further approval of the Board.

**1.7 Compliance with Accessibility Standards**

VIHA will ensure the strictest compliance with applicable Americans with Disabilities Act (“ADA”) and amendments, Fair Housing Act (“FHAct”), and Uniform Federal Accessibility Standards (“UFAS”) standards and regulations in all of its procurement and contracting documents initiated for the performance of design and/or construction works connected to any housing or non-housing projects.

**1.8 Public Access to Procurement Information**

Most procurement information that is not proprietary is a matter of public record and shall be available to the public to the extent provided in the United States Virgin Island's Freedom of Information Act.



**1.9 Effect of Handbooks, Guidelines and Notices**

Consistent with 24 CFR §200.105 that refers to “administrative requirements, program manuals, handbooks and other non-regulatory materials,” VIHA recognizes HUD Handbooks, Guidelines, Notices and other like materials as non-regulatory, non-binding advice, except to the extent that Handbooks, Guidelines, Notices or other materials articulate statutory or regulatory requirements

**2.0 SECTION 2 – ETHICS IN PUBLIC CONTRACTING**

**2.1 General**

Pursuant to 2 CFR §200.318(c)(1) and (2) and Section 19 of the Annual Contributions Contract (“ACC”), VIHA hereby establishes the following code of conduct regarding procurement issues and actions and shall implement a system of sanctions for violations. This code of conduct is consistent with applicable Federal, State/Territory, or local law and the VIHA Ethics Policy.

**2.2 Conflicts of Interest**

No employee, officer, Board member, or agent of the VIHA shall participate directly or indirectly in the selection, award, or administration of any contract if a conflict of interest, either real or apparent, would be involved. This type of conflict would be when one of the persons listed below has a financial or any other type of interest in a firm competing for the award:

- An employee, officer, Board member, or agent involved in making the award;
- 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);
- His/her partner; or
- An organization which employs or is negotiating to employ, or has an arrangement concerning prospective employment of any of the above.

**2.3 Gratuities, Kickbacks, and Use of Confidential Information**

No officer, employee, Board member, or agent shall ask for or accept gratuities, favors, or items of more than \$25.00 in value from any contractor, potential contractor, or party to any subcontract, and shall not knowingly use confidential information for actual or anticipated personal gain.

#### **2.4 Prohibition Against Contingent Fees**

Contractors wanting to do business with the VIHA must not hire a person to solicit or secure a contract for a commission, percentage, brokerage, or contingent fee, except for bona fide established commercial selling agencies.

### **3.0 SECTION 3 – PROCUREMENT PLANNING**

#### **3.1 Procurement Planning & Annual Budget**

Planning is essential to managing the procurement function properly. Hence, the VIHA will periodically review its record of prior purchases, as well as future needs, to: find patterns of procurement actions that could be performed more efficiently or economically; maximize competition and competitive pricing among contracts and decrease the VIHA's procurement costs; reduce VIHA administrative costs; ensure that supplies and services are obtained without any need for re-procurement, e.g., resolving bid protests; and minimize errors that occur when there is inadequate lead time. Consideration should be given to storage, security, and handling requirements when planning the most appropriate purchasing actions.

An annual procurement planning exercise will culminate in its inclusion in the annual VIHA budget, which will ensure predictability of procurement expenditures.

### **4.0 SECTION 4 – DELEGATION OF CONTRACTING AUTHORITY**

The Board of Commissioners is responsible for adopting an appropriate procurement policy for VIHA. The Board of Commissioners hereby appoints and delegates to the Executive Director acting in his/her administrative capacity procurement authority for VIHA as the Contracting Officer as further described in this Policy. (The title of Executive Director may be substituted throughout this document to mean Executive Director or any other title designated as the head of the agency by the Department of Housing and Urban Development.)

#### **4.1 Executive Director's (ED) Duties**

The Executive Director is hereby appointed the Contracting Officer and shall ensure VIHA's compliance with all procurement transactions. The Contracting Officer shall issue Operational Procedures to implement this Policy. The Contracting Officer shall also establish a system of sanctions for violations of the ethical standards by Contractors and employees consistent with Federal, State/Territory or local law.

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Through this position, the ED ensures that:

- A. Procurement requirements are planned in advance in order to ensure efficient and economical purchasing;
- B. All procurement documents such as purchase orders, contracts (including modifications thereto), and cooperative and interagency agreements clearly specify the needed supplies, services (including construction), specifications, materials, and equipment are supported by adequate documentation;
- C. For all procurement actions exceeding the simplified acquisition threshold of \$250,000.00 (or such higher amount as defined in 2 CFR §200.1), public notice will be given of each upcoming procurement before the solicitation is issued; responses to such notice are honored to the maximum extent practical; a minimum of fifteen (15) days [or other time period if required by State/Territory or local law] is provided for preparation and submission of bids or proposals;
- D. Notice of contract awards will be made available to the public;
- E. Solicitation procedures are conducted in full compliance with Federal standards stated in 2 CFR §200.319 or State/Territory and local laws that are more stringent, provided they are consistent with 2 CFR §§ 200.318 - 200.327, and VIHA Policy and Operational Procedures;
- F. For all procurement actions over \$250,000.00, an independent cost estimate ("ICE") will be prepared before the solicitation is issued and this estimate must be appropriately safeguarded and kept confidential;
- G. A price or cost analysis is conducted for all procurement actions over \$250,000.00;
- H. The contract is awarded to the responsive and responsible bidder offering the lowest price (for sealed bid contracts) or the offeror whose proposal offers the greatest value to the VIHA, considering price, technical, and other factors as specified in the solicitation (for contracts awarded based on competitive proposals): unsuccessful firms are notified promptly after contract award;
- I. There are sufficient unencumbered funds available to cover the anticipated cost of each procurement action before awarding the contract or issuing the modification;
- J. Work is inspected before payment, and payment is made promptly for contract work performed and accepted; and
- K. Authority to terminate contracts in accordance with the terms of such contracts as maintained by VIHA.

The ED shall have the authority to appoint a designee as the Acting Contracting Officer during his/her absence. The Acting Contracting Officer shall have the same binding authority as delineated above. Such appointment shall be in writing.

## **4.2 Contracting Officer's Representatives and Department Contracts Administrators**

While the Executive Director is responsible for ensuring that the VIHA's procurement actions comply with this Policy, the Executive Director may delegate all procurement authority as is necessary and appropriate to conduct the business of the Agency.

The Executive Director may appoint individuals as Contracting Officer's Representatives ("COR") to administer the contracts and to monitor, within their appropriate area of responsibility, the performance of the Contractor/Consultant. The COR shall be responsible for performing any administrative function associated with the administration of the contract that does not involve a change in the cost or duration of contract performance. Such appointments shall be in writing.

The Contracting Officer's Representative shall have the responsibility for the following:

- A. Administration of the contract;
- B. Provide on-going coordination and technical assistance to the Contracting Officer and the Contractor/Consultant;
- C. Define and prepare the work requirements, inspect, evaluate, and accept the Contractor's/Consultant's work;
- D. Advise the Contracting Officer when situations arise that may modify, disrupt or hinder performance and/or completion of work;
- E. Participate in the comprehensive procurement planning for his/her department/division; and
- F. Other related duties as deemed appropriate by the Contracting Officer (or his/her designee).

The CORs may themselves appoint a Department Contracts Administrator ("DCA") with notification sent to the Contracting Officer. A copy of said appointment(s) must be in writing and shall be forwarded to the Procurement Department for file.

CORs/DCAs may not perform any function or exercise any authority not specifically delegated by the Contracting Officer.

## **4.3 Initiation of Procurement Action**

Documents authorized to initiate a procurement action over \$25,000.00 shall include, but are not limited to, the following:

- A. Pre-Solicitation Package (Specifications/Scope of Work, Procurement Rationale Form, Cost/Price Estimate (if applicable), Selection of Contract Form, etc.) and

- B. VIHA Computerized Requisition/Purchase Order and/or
- C. Justification Memo for Non-Competitive Proposals (if applicable) or other forms that are developed and approved by the Contracting Officer (or designee) to facilitate the procurement action compliant with 2 CFR §§ 200.318 - 200.327 and this Policy.

It is the responsibility of the Requesting Department/Division to provide complete and accurate purchase and specification information necessary to initiate the procurement action. All information must be received and accepted by the Procurement Department prior to the commencement of any procurement action.

The level of documentation should be commensurate with the value of the procurement.

#### **4.4 Unauthorized Obligations**

Under no circumstances, are funds to be obligated by VIHA and members of its staff unless authorized through the proper procurement process as outlined in this Policy or the accompanying Operational Procedures. The Executive Director will take appropriate positive and/or corrective action, where warranted, to ensure authority-wide compliance and adherence to said Policy and Procedures developed pursuant to the Policy.

## **5.0 SECTION 5 - PURCHASING METHODS**

### **5.1 Informal Procurement Actions**

Any contract not exceeding the simplified acquisition threshold of \$250,000.00 (or such higher amount as defined in 2 CFR §200.1) may be awarded in accordance with the procedures authorized in this Section. Requirements, services or material shall not be artificially divided so as to constitute an informal procurement action under this Section (except as may be reasonably necessary to comply with Section 16.1 of this Policy). The practice of dividing purchases unnecessarily to force the use of informal procedures is known as “bid splitting” and is prohibited.

#### **A. Petty Cash Purchases**

Petty Cash funds can be used for small purchases if otherwise authorized in the applicable Petty Cash procedures of VIHA. The maximum amount of each purchase shall be One Hundred Dollars (\$100.00) and the maximum number of purchases in any monthly period shall be set forth in the Operating Procedures. Each Petty Cash fund shall not exceed One Thousand Five Hundred Dollars (\$1,500.00). The Contracting Officer shall ensure that:

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1. The account is established in an amount sufficient to cover small purchases made during a reasonable period (e.g., one month).
2. Security is maintained, and only authorized individuals have access to the account.
3. The account is reconciled periodically, but not less than monthly, and replenished by submission of a voucher to the Chief Financial Officer or designee.
4. The account is audited quarterly by the Chief Financial Officer or designee to validate proper use and to verify that the account total equals cash on hand plus the total of accumulated vouchers.
5. Receipts are required for all purchases or expenditures from this fund.

**B. Credit/Purchasing Cards**

Credit card usage should follow the rules for all other small purchases. For example, the Contracting Officer may use a credit card for Micro Purchases without obtaining additional quotes provided the price is considered reasonable.

However, for amounts above the Micro Purchase level, the Contracting Officer would generally need to have obtained a reasonable number of quotes before purchasing via a credit card.

When using credit cards, the VIHA shall adopt reasonable safeguards to assure that they are used only for intended purposes (for instance, limiting the types of purchases or the amount of purchases that are permitted with credit cards).

**C. Small Purchase Procedures**

1. For any amounts above the Petty Cash ceiling, but not exceeding \$250,000.00, the VIHA may use small purchase procedures. Under small purchase procedures, the VIHA shall solicit a reasonable number of quotes (generally two or more); however, for Micro Purchases, purchases of less than \$3,000.00 (or such higher amount as defined in 2 CFR §200.1) only one quote is required provided the quote is considered reasonable. To the greatest extent feasible, and to promote competition, small purchases should be distributed among qualified sources. Quotes may be solicited in writing or verbally, but only written responses will be accepted. Quotes may also be conducted through e-procurement.
2. In all cases wherein goods and/or services are readily available from three (3) or more independent sources within the public and/or private market sectors, generally a minimum of three (3)

quotes shall be solicited for all small purchases above three thousand dollars (\$3,000.00). Quotes may be solicited in writing or verbally, but only written responses will be accepted.

3. A firm, fixed-price contract (e.g., purchase order) shall be awarded to the qualified vendor that provides the best value to the VIHA. If an award is to be made for reasons other than lowest price, documentation shall be provided in the contract file. The names, addresses, telephone numbers of offerors and persons contacted, and any other relevant data shall be maintained in the procurement file.
4. The VIHA shall not break down requirements aggregating more than the simplified acquisition threshold (or the Micro Purchase threshold) into several purchases that are less than the applicable threshold merely to: (1) permit use of the informal procedures or (2) avoid any requirements that applies to purchases that exceed the Micro Purchase threshold.

## **5.2 Formal Procurement Actions**

All procurement actions of exceeding the simplified acquisition threshold of \$250,000.00 and over shall be conducted using formal contracting methods, by sealed bids, competitive proposals or non-competitive proposals where appropriate.

## **5.3 Sealed Bids**

Sealed bidding shall be used for all contracts that exceed the simplified acquisition threshold and that are not competitive proposals or non-competitive proposals, as these terms are defined in this Policy. Under sealed bids, VIHA publicly solicits bids and awards a firm fixed-price contract (lump sum or unit price) to the responsible bidder whose bid, conforming to all the material terms and conditions of the IFB, is the lowest in price.

Sealed bidding is commonly used for procuring construction, supply, and non-complex service contracts that are expected to exceed \$250,000.00.

### **A. Conditions for Using Sealed Bids.**

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

**B. Solicitation and Receipt of Bids**

An IFB is issued which includes the specifications and all contractual terms and conditions applicable to the procurement, and a statement that award will be made to the lowest responsible and responsive bidder whose bid meets the requirements of the solicitation. The IFB must state the time and place for both receiving the bids and the public bid opening. All bids received will be date and time-stamped and stored unopened in a secure place until the public bid opening. A bidder may withdraw the bid at any time prior to the bid opening.

**C. Bid Opening and Award**

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

**D. Mistakes in Bids**

Correction or withdrawal of bids may be permitted, where appropriate, before bid opening by written or telegraphic notice received in the office designated in the IFB prior to the time set for bid opening. After bid opening, corrections in bids may be permitted only if the bidder can show by clear and convincing evidence that a mistake of a nonjudgmental character was made, the nature of the mistake, and the bid price actually intended. A low bidder alleging a nonjudgmental mistake may be permitted to withdraw its bid if the mistake is clearly evident on the face of the bid document, but the intended bid is unclear, or the bidder submits convincing evidence that a mistake was made.

All decisions to allow correction or withdrawal of a bid shall be supported by a written determination signed by the Contracting Officer. After bid opening, changes in bid prices or other provisions of bids prejudicial to the interest of the VIHA or fair competition shall not be permitted.

**5.4 Competitive Proposals**

Unlike sealed bidding, the competitive proposal method permits: consideration of technical factors other than price; discussion with offerors concerning offers submitted; negotiation of contract price or estimated cost and other contract terms and conditions; revision of proposals before the final contractor selection; and the withdrawal of an offer at any time up until the point of award. Award is normally made on the basis of the proposal that represents the best overall value



to the VIHA, considering price and other factors, e.g., technical expertise, past experience, quality of proposed staffing, etc., set forth in the solicitation and not solely the lowest price.

**A. Conditions for Use**

Where conditions are not appropriate for the use of sealed bidding, competitive proposals may be used. Competitive proposals are the preferred method for procuring professional services that will exceed the small purchase threshold but can also be used for construction contracts as well.

**B. Form of Solicitation**

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

**C. Evaluation**

The proposals shall be evaluated only on the criteria stated in the RFP. Where not apparent from the evaluation criteria, the VIHA shall establish an Evaluation Plan for each RFP. Generally, all RFPs shall be evaluated by an appropriately appointed Evaluation Committee. The Evaluation Committee, which may include non-voting Technical Advisors, shall be required to disclose any potential conflicts of interest and to sign a Confidentiality Statement. An Evaluation Report, summarizing the results of the evaluation, shall be prepared prior to award of a contract.

**D. Negotiations**

Negotiations shall be conducted with all offerors who submit a proposal determined to have a reasonable chance of being selected for award, unless it is determined that negotiations are not needed with any of the offerors. This determination is based on the relative score of the proposals as they are evaluated and rated in accordance with the technical and price factors specified in the RFP. These offerors shall be treated fairly and equally with respect to any opportunity for negotiation and revision of their proposals. No offeror shall be given any information about any other offeror's proposal, and no offeror shall be assisted in bringing its proposal

up to the level of any other proposal. A common deadline shall be established for receipt of proposal revisions based on negotiations. Negotiations are exchanges (in either competitive or sole source environment) between the VIHA and offerors that are undertaken with the intent of allowing the offeror to revise its proposal. These negotiations may include bargaining. Bargaining includes persuasion, alteration of assumptions and positions, give-and-take, and may apply to price, schedule, technical requirements, type of contract or other terms of a proposed contract. When negotiations are conducted in a competitive acquisition, they take place after establishment of the competitive range and are called discussions. Discussions are tailored to each offeror's proposal and shall be conducted by the Contracting Officer with each offeror within the competitive range. The primary object of discussions is to maximize the VIHA's ability to obtain best value, based on the requirements and the evaluation factors set forth in the solicitation. The Contracting Officer shall indicate to, or discuss with, each offeror still being considered for award, significant weaknesses, deficiencies, and other aspects of its proposal (such as cost, price, technical approach, past performance, and terms and conditions) that could, in the opinion of the Contracting Officer, be altered or explained to enhance materially the proposers' potential for award. The scope and extent of discussions are a matter of the Contracting Officer's judgment. The Contracting Officer may inform an offeror that its price is considered by the VIHA to be too high, or too low, and reveal the results of the analysis supporting that conclusion. Auctioning (revealing one offeror's price in an attempt to get another offeror to lower their price) is prohibited.

**E. Award**

After evaluation of the revised proposals, if any, the contract shall be awarded to the responsible firm(s) whose technical approach to the project, qualifications, price and/or any other factors considered, are most advantageous to the VIHA provided that the price is within the project budgeted amount established for the specific property or activity.

**5.5 Qualifications-Based Procured Services**

The VIHA must contract for A/E services using Qualifications-Based Selection ("QBS") procedures, utilizing a Request for Qualifications ("RFQ"). Sealed bidding shall not be used for A/E solicitations. Under QBS procedures, competitor's qualifications are evaluated, and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. Price is not used as a selection factor under this method. QBS procedures shall not be used to purchase other types of services, though the QBS method can be used for joint venture partners or developers and energy service contracts.

## **5.6 Non-Competitive Proposals**

Pursuant to 2 CFR §200.320(c), procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

- (1) The acquisition of property or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold;
- (2) The item is available only from a single source;
- (3) The public exigency or emergency for the requirement will not permit a delay resulting from publicizing a competitive solicitation;
- (4) The Federal awarding agency or pass-through entity expressly authorizes a noncompetitive procurement in response to a written request from VIHA; or
- (5) After solicitation of a number of sources, competition is determined inadequate.

### **B. Justification**

Each procurement based on non-competitive proposals shall be supported by a written justification for the selection of this method. The justification shall be approved in writing by the Contracting Officer. The justification, to be included in the procurement file, should include the following information:

1. Description of the requirement;
2. History of prior purchases and their nature (competitive vs. non-competitive);
3. The specific exception in 2 CFR §200.320(c) (1) through (5) which applies;
4. Statement as to the unique circumstances that require award by non-competitive proposals;
5. Description of the efforts made to find competitive sources (advertisement in trade journals or local publications, phone calls to local suppliers, issuance of a written solicitation, etc.);
6. Statement as to efforts that will be taken in the future to promote competition for the requirement;
7. Signature by the Contracting Officer (or Chairperson of the Board, if applicable); and
8. The reasonableness of the price for all procurements based on non-competitive proposals shall be determined by performing an analysis, as described in this Policy.

## **5.7 Alternative Procurement Methods**

### **A. Cooperative Purchasing/Intergovernmental Agreements**

The VIHA may enter into State/Territory, Federal Schedules (where allowed) and/or local cooperative or intergovernmental agreements to purchase or use common supplies, equipment, or services. The decision to use an interagency agreement instead of conducting a direct procurement shall be based on economy and efficiency. If used, the interagency 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. The VIHA may use Federal or State/Territory excess and surplus property instead of purchasing new equipment and property if feasible and if it will result in a reduction of project costs. The goods and services obtained under a cooperative purchasing agreement must have been procured in accordance with 2 CFR §§ 200.318 - 200.327. The threshold for interagency agreements shall be \$50,000.00. If interagency agreement is expected to exceed this amount, board approval shall be obtained.

## **5.8 Contracting Actions Requiring HUD Approval**

Except as exempted by Section 5.8, or where expressly authorized in writing by HUD, the following contracting actions shall require HUD approval prior to the award of a contract:

- A. Noncompetitive procurements expected to exceed the simplified acquisition threshold of \$250,000.00;
- B. Brand name only procurements expected to exceed the simplified acquisition threshold of \$250,000.00;
- C. Awards over the simplified acquisition threshold of \$250,000.00 to other than the apparent low bidder under sealed bid;
- D. Proposed contract modifications that change the scope of the contract or increasing the contract amount by more than the simplified acquisition threshold of \$250,000.00;
- E. Use of the Qualifications-Based Selection (“QBS”) method of procurement for the other than A/E services, joint venture partners or developers, or energy service contracts;
- F. Procurements for legal or other non-personal services in connection with litigation per HUD’s Litigation Handbook that exceed \$100,000.00;
- G. 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 under the Capital Fund Program;

- H. Contracts that exceed five years, including options. To approve terms in excess of five years, Field Offices must determine there is no practical alternative;
- I. Solicitations and any resulting contracts related to energy performance contracting and utility add-ons as directed by HUD; and
- J. Solicitations and contracts where the procurement procedures or operations fail to comply with the procurement standards in 2 CFR §§ 200.318 - 200.327.

### **5.9 Exemptions from Prior HUD Approval**

In the event VIHA intends to award non-competitive contract in excess of Federal Small Purchase Threshold of \$250,000.00 or as may be amended, VIHA shall obtain approval from HUD prior to awarding the contract unless either:

- A. VIHA requests and HUD subsequently certifies that its procurement system has been reviewed by the Field Office and has been determined that the systems meet the standards under 2 CFR §§ 200.318 - 200.327, or
- B. VIHA self-certifies that its procurement system meets the standards under 2 CFR §§ 200.318 - 200.327.

Any exemption from prior HUD approval must be for one year and must be renewed each year.

## **6.0 SECTION 6 – PROCUREMENT BY VIHA CONTRACTORS OR AGENTS**

The Procurement Methods outlined in Section 6 of this Policy shall not apply to solicitations made by a Development entity, Program Manager, Master Planner, or Property Management Company, properly procured under this Policy or a previous applicable Procurement Policy or practice. Consistent with good business practices, these VIHA contractors or agents shall make procurements as outlined below.

### **6.1 Development Partnerships**

This Policy shall not apply to any partnership or other entity in which VIHA, or any of its affiliates have a direct or indirect ownership interest and such partnership/entity shall not be required to comply with this Policy or 2 C.F.R. §200.318 - §200.327 if the following conditions apply:

- The development partner which forms the partnership/entity is competitively procured in accordance with this Policy, a previous VIHA procurement policy or applicable HUD rules and regulations; and
- VIHA does not exercise significant functions in the partnership/entity (e.g., managing the development of units). In the event such partnership/entity is determined to be subject to the provisions of 2 C.F.R. §200.318 - §200.327,

such partnership/entity is not subject to this Policy or the VIHA's subsidiary procurement policies and procedures provided said partnership/entity maintains a Sourcing Strategy or like document that complies with the requirements of 2 C.F.R. §200.318 - §200.327 and other applicable regulations. In addition to the above, said Statement shall also address complying with its obligations under Section 3 of the Housing Act of 1968, as amended, VIHA's Section 3 Policy and Equal Employment Opportunity Policy, and any other requirements of the agreement between VIHA and such partnership/entity.

## **6.2 Program Manager/Master Planner/Other Agent**

Where VIHA procures a Program Manager/Master Planner/Other Agent through a competitive process that follows applicable HUD rules and regulations, to manage and assist with the revitalization of one (1) or more of its communities, and/or the development or acquisition of new communities, the Program Manager/Master Planner/Other Agent is not subject to the procurement procedures identified in this Policy or the provisions of 2 C.F.R. §200.319 and §200.320 relating to competition and methods of procurement when procuring goods and services for the community or project. However, the Program Manager/Master Planner/Other Agent shall maintain a separate Sourcing Strategy which complies with the other requirements of this Policy, applicable provisions of 2 C.F.R. §200.318 - §200.327, and other applicable regulations, including Section 3 of the Housing Act of 1968, as amended, VIHA's Section 3 Policy and Equal Employment Opportunity Policy and other requirements of the agreement between VIHA and the Program Manager/Master Planner/Other Agent.

## **6.3 Property Management Company**

Where VIHA procures a property management company or property management services through a competitive process that follows applicable HUD rules and regulations, or this Policy, the Property Management Company ("PMCO") is not subject to the provisions of 2 C.F.R. §200.319 and §200.320 relating to competition and methods of procurement when procuring goods and services for the VIHA property. The PMCO shall maintain a separate Sourcing Strategy that ensures an open and competitive procurement process consistent with sound business practices used in the private sector industry and that otherwise complies with the other requirements of this Policy, applicable provisions of 2 C.F.R. §200.318 - §200.327 and other applicable regulations. The PMCO shall submit a Sourcing Strategy to the Vice President, Contracting and Sourcing Services, for review and approval for use during the property management contract with VIHA. Upon approval, a copy shall be maintained within the contract file. Any updates and/or changes to the Sourcing Strategy shall be subject to the review and approval of VIHA. In addition to the above, the Sourcing Strategy shall also address the PMCO's plan for complying with its obligations under Section 3 of the Housing Act of 1968, as amended, VIHA's Section 3 Policy and Equal Employment Opportunity Policy,

and any other requirements of the property management contract between VIHA and the PMCO.

#### **6.4 VIHA Oversight**

VIHA will monitor and review or audit at least annually the procurement and contracting activities of the entities referenced in this Section to ensure compliance with their Sourcing Strategies, this Policy, applicable provisions of 2 C.F.R. §200.318 - §200.327, and other applicable regulations.

### **7.0 SECTION 7 - INDEPENDENT COST ESTIMATES**

#### **7.1 Independent Cost Estimates (ICE)**

For all purchases above the simplified acquisition threshold of \$250,000.00, the VIHA shall prepare an ICE before receiving bids or proposals. The level of detail shall be commensurate with the cost and complexity of the item to be purchased.

### **8.0 SECTION 8 - COST AND PRICE ANALYSIS**

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

#### **8.1 Petty Cash and Micro Purchases**

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

#### **8.2 Small Purchases**

A comparison with other quotes shall generally be sufficient determination of the reasonableness of price and no further analysis is required. If a reasonable number of quotes are not obtained to establish reasonableness through price competition, the Contracting Officer shall document price reasonableness through other means, such as prior purchases of this nature, catalog prices, the Contracting Officer's personal knowledge at the time of purchase, or any other reasonable basis.

#### **8.3 Sealed Bids (in excess of the Simplified Acquisition Threshold)**

The presence of adequate competition should generally be sufficient to establish price reasonableness. Where a sufficient number of bids are not received, when only one bid is received or where the VIHA cannot reasonably determine price reasonableness, the VIHA must conduct a cost analysis, consistent with Federal guidelines, to ensure that the bid price offered is reasonable.

**8.4 Competitive Proposals (in excess of the Simplified Acquisition Threshold)**

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

**8.5 Contract Modifications (in excess of the Simplified Acquisition Threshold)**

A cost analysis, consistent with Federal guidelines, shall be conducted for all contract modifications for projects that were procured through Sealed Bids, Competitive Proposals, or Non-Competitive Proposals, or for projects originally procured through Small Purchase procedures and the amount of the contract modification will result in a total contract price in excess of the simplified acquisition threshold of \$250,000.00 (or such higher amount as defined in 2 CFR §200.1).

**9.0 SECTION 9 - SOLICITATION AND ADVERTISING**

**9.1 Method of Solicitation**

- A. Petty Cash and Micro Purchases. The VIHA may contact only one source if the price is considered reasonable.
- B. Small Purchases. Quotes may be solicited orally, through fax, or by any other reasonable method.
- C. Sealed Bids and Competitive Proposals. Solicitation must be done publicly. The VIHA must use one or more following solicitation methods, provided that the method employed provides for meaningful competition.
  - 1. Placing a synopsis and/or downloadable version of the solicitation on VIHA's website.
  - 2. Advertising in newspapers or other print mediums of local or general circulations.
  - 3. Advertising in various trade journals or publications (for construction).
  - 4. E-Procurement. The VIHA may conduct its public procurements through the Internet using e-procurement systems. However, all e-procurement actions must otherwise be in compliance with 2 CFR §§ 200.318 - 200.327, State/Territory and local requirements, and VIHA's Procurement Policy.



**9.2 Notice/Advertisement Time Frame**

For purchases of more than \$250,000.00, a public notice should run not less than once each week for two consecutive weeks. on VIHA’s website, e-procurement system and /or other local publications. Public notices may also be advertised for the same period of time (or longer) on nationally publicized websites such as PHADA.org, etc.

**9.3 Notice/Advertisement Form**

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

**9.4 Time Period for Submission of Formal Procurement Actions**

A minimum of fifteen (15) days shall generally be provided for preparation and submission of sealed bids and fifteen (15) days for competitive proposals. However, the Executive Director (or designee) may allow for a shorter period under extraordinary circumstances or that adequate competition, preparation and submission of bids or proposals may be accomplished in a shorter period of time.

**9.5 Cancellation of Solicitations**

- A. An IFB, RFP, or other solicitation may be cancelled before bids/proposals are due if:
  - 1. The supplies, services or construction is no longer required;
  - 2. The funds are no longer available;
  - 3. Proposed amendments to the solicitation are of such magnitude that a new solicitation would be best; or
  - 4. For good cause of a similar nature when it is in the best interest of the VIHA.
  
- B. A solicitation may be cancelled and all bids or proposals that have already been received may be rejected if:
  - 1. The supplies or services (including construction) are no longer required;
  - 2. Ambiguous or otherwise inadequate specifications were part of the solicitation;
  - 3. All factors of significance to the VIHA were not considered;
  - 4. Prices exceed available funds and it would not be appropriate to adjust quantities to come within available funds;

5. There is reason to believe that bids or proposals may not have been independently determined in open competition, may have been collusive, or may have been submitted in bad faith; or
  6. For good cause of a similar nature when it is in the best interest of the VIHA.
- C. The reasons for cancellation shall be documented in the procurement file and the reasons for cancellation and/or rejection shall be provided upon request.
- D. A notice of cancellation shall be sent to all bidders/offerors solicited and, if appropriate, shall explain that they will be given an opportunity to compete on any re-solicitation or future procurement of similar items.
- E. If all otherwise acceptable bids received in response to an IFB are at unreasonable prices, an analysis may be conducted to see if there is a problem in either the specifications or the VIHA's cost estimate. If VIHA's specifications and cost estimate are determined adequate and the only bid received is unreasonable, the Contracting Officer may cancel the solicitation and either:
1. Re-solicit using an RFP; or
  2. Complete the procurement by using the competitive proposal method.
- F. If problems are found with the specifications, VIHA may cancel the solicitation, revise the specifications and re-solicit using an IFB.

## **10.0 SECTION 10 - BONDING REQUIREMENTS**

### **10.1 Requirements**

The standards under this Section apply to construction contracts that exceed \$250,000.00. There are no bonding requirements for small purchases or for competitive proposals; however, the VIHA may require bonds in these latter circumstances when deemed appropriate.

#### **A. Bid Bonds**

For construction contracts exceeding \$250,000.00, bidders shall be required to submit a bid guarantee equivalent to 5% of the bid price.

#### **B. Performance and Payment Bonds**

For construction contracts exceeding \$250,000.00, the successful bidder shall furnish an assurance of completion. This assurance may be any one of the following four:

1. A performance and payment bond in a penal sum of 100% of the contract price; or
  2. Separate performance and payment bonds, each for 50% or more of the contract price; or
  3. A 20% cash escrow; or
  4. A 25% irrevocable letter of credit.
- C. These bonds must be obtained from guarantee or surety companies acceptable to the U. S. Government and authorized to do business in the State/Territory where the work is to be performed. Individual sureties shall not be considered. U. S. Treasury Circular Number 570 lists companies approved to act as sureties on bonds securing Government contracts, the maximum underwriting limits on each contract bonded, and the State/Territories in which the company is licensed to do business. Use of companies on this circular is mandatory.

## **11.0 SECTION 11 - CONTRACTOR QUALIFICATIONS AND DUTIES**

### **11.1 Contractor Responsibility**

VIHA shall not award any contract until the prospective contractor, i.e., low responsive bidder, or successful offeror, has been determined to be responsible.

A responsible bidder/offeror must:

- A. Have adequate financial resources to perform the contract, or the ability to obtain them;
- B. Be able to comply with the required or proposed delivery or performance schedule, taking into consideration all of the bidders/offerors existing commercial and governmental business commitments;
- C. Have a satisfactory performance record;
- D. Have a satisfactory record of integrity and business ethics;
- E. Have the necessary organization, experience, accounting and operational controls, and technical skills, or the ability to obtain them;
- F. Have the necessary production, construction, and technical equipment and facilities, or the ability to obtain them; and,
- G. Be otherwise qualified and eligible to receive an award under applicable laws and regulations, including not be suspended, debarred or under a HUD imposed Limited Denial of Participation (“LDP”).

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

### **11.2 Suspension and Debarment**

Contracts shall not be awarded to debarred, suspended, or ineligible contractors. VIHA is subject to the debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR part 180. The regulations in 2 CFR part 180 restrict awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

### **11.3 Vendor Lists**

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

## **12.0 SECTION 12 - CONTRACT PRICING ARRANGEMENTS**

### **12.1 Contract Types**

Any type of contract which is appropriate to the procurement and which will promote the best interests of the VIHA may be used, provided the cost-plus-a-percentage-of-cost and percentage-of-construction-cost methods are not used. All solicitations and contracts shall include the clauses and provisions necessary to define the rights and responsibilities of both the contractor and VIHA.

For all cost reimbursement contracts, VIHA must include a written determination as to why no other contract type is suitable. Further, the contract must include a ceiling price that the contractor exceeds at its own risk.

### **12.2 Contract Options**

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

- A. The option is contained in the solicitation;
- B. The option is a unilateral right of the VIHA;
- C. The contract states a limit on the additional quantities and the overall term of the contract;
- D. The options are 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 VIHA than conducting a new procurement.

### **13.0 SECTION 13 - CONTRACT CLAUSES**

All contractual documents shall contain the Contract Provisions under Federal awards set forth in 2 CFR §200.327, Appendix II to Part 200. All contracts should identify the contract pricing arrangement as well as other pertinent terms and conditions, as determined by the VIHA.

### **14.0 SECTION 14 - CONTRACT ADMINISTRATION**

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

### **15.0 SECTION 15 - SPECIFICATIONS**

#### **15.1 General**

All specifications shall be drafted so as to promote overall economy for the purpose intended and to encourage competition in satisfying VIHA's needs. Specifications shall be reviewed prior to issuing all formal solicitations to ensure that they are not unduly restrictive or represent unnecessary or duplicative items. Function or performance specifications are preferred. Detailed product specifications shall be avoided whenever possible. Consideration shall be given to consolidating or breaking out procurements to obtain a more economical purchase. For equipment purchases, a lease versus purchase analysis should be performed to determine the most economical form of procurement. Pursuant to 2 CFR §200.319 (b), contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals will be excluded from competing for such procurements to ensure objective contractor performance and eliminate unfair competitive advantage.

#### **15.2 Limitations**

The following types of specifications shall be avoided in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage said preference:

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

- B. Brand name specifications (unless the specifications list the minimum essential characteristics and standards to which the item must conform to satisfy its intended use).

Nothing in this Policy shall preempt any State/Territory licensing laws. Specifications shall be reviewed to ensure that organizational conflicts of interest do not occur.

## **16.0 SECTION 16 - APPEALS AND REMEDIES**

### **16.1 General**

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

### **16.2 Informal Appeals Procedure**

The VIHA shall adopt an informal bid protest/appeal procedure for contracts of \$250,000.00 or less. Under these procedures, the bidder/contractor may request in writing to meet with the appropriate Contracting Officer.

### **16.3 Formal Appeals Procedure**

A formal appeals procedure shall be established for solicitations/contracts of more than \$250,000.00.

#### **A. Bid Protest**

Any actual or prospective contractor may protest the solicitation or award of a contract for serious violations of the principles of this Policy. Any protest against a solicitation must be received before the due date for the receipt of bids or proposals, and any protest against the award of a contract must be received within five (5) calendar days after the contractor receives notice of the contract award, or the protest 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. The Contracting Officer may, at his/her discretion, suspend the procurement pending resolution of the protest if the facts presented so warrant.

#### **B. Contractor Claims**

All claims by a contractor relating to performance of a contract shall be submitted in writing to the Contracting Officer for a written decision. The contractor may request a conference on the claim. The Contracting Officers' decision shall inform the contractor of its appeal rights to the next higher level of authority in VIHA.

## 17.0 SECTION 17 - ASSISTANCE TO SMALL AND OTHER BUSINESSES

### 17.1 Required Efforts

Pursuant to 2 CFR §200.321 and Section 3 of the HUD Act of 1968, all feasible efforts shall be made to ensure that small and minority-owned businesses, women-owned business enterprises, and other individuals or firms located in or owned in substantial part by persons residing in the area of the VIHA 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 quantities 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, and the Minority Business Development Agency of the Department of Commerce;
- F. Including in contracts, to the greatest extent feasible, a clause requiring 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 provide opportunities to low-income residents, as described in 24 CFR Part 75; and
- G. Requiring prime contractors, when subcontracting is anticipated, to take the positive steps listed above.

Goals shall be established periodically for participation by small businesses, minority-owned businesses, women-owned business enterprises, labor surplus area businesses, and Section 3 business concerns in VIHA's prime contracts and subcontracting opportunities.

### 17.2 Definitions

The following are definitions of terms as they relate to VIHA's required efforts to assist small businesses, women-owned business enterprises, and minority-owned businesses and other local entities.

- 1. A "small business" is defined as a business that 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 Part 121 should be used to determine business size.
- 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, Asian Indian Americans, and Hasidic Jewish Americans.

3. A "woman-owned 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 control and operate the business.
4. A "Section 3 business concern" is as defined under 24 CFR Part 75.
5. 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 ("DOL") in 20 CFR Part 654, Subpart A, and in the list of labor surplus areas published by the Employment and Training Administration.

## **18.0 SECTION 18 - BOARD APPROVAL OF PROCUREMENT ACTIONS**

Approval of the Board of Commissioners is required for contracts and contract modifications in excess of Two Hundred Fifty Thousand Dollars (\$250,000.00). However, task orders, change orders, and/or modifications for Board approved indefinite delivery/indefinite quantity contracts, or contracts and/or task orders entered into pursuant to approved budgetary authority, at or above \$250,000.00, do not require further approval unless otherwise specifically directed by the Board. For contract modifications less than Two Hundred Fifty Thousand Dollars (\$250,000.00), Board of Commissioners' approval is not required unless a modification brings a consecutive series of modifications in the aggregate to an excess of Two Hundred Fifty Thousand Dollars (\$250,000.00). Thereafter, the Executive Director is again authorized to execute contract modifications which alone or in the aggregate do not exceed Two Hundred Fifty Thousand Dollars (\$250,000.00) without Board of Commissioners' approval until such time as a contract modification brings the aggregate of such consecutive series of modifications to an excess of Two Hundred Fifty Thousand Dollars (\$250,000.00), which then requires Board of Commissioners approval. In the event the Executive Director determines it would be in the best interest of VIHA, the Executive Director, upon concurrence of the Chairperson of the Board of Commissioners, may execute a contract and/or modification for over Two Hundred Fifty Thousand Dollars (\$250,000.00) or a modification that brings a consecutive series of modifications over Two Hundred Fifty Thousand Dollars (\$250,000.00) and do so before the next Board of Commissioners meeting, provided that said contract and/or modification(s) is presented to the Board of Commissioners for ratification at the next Regular or Special Board meeting.



## **19.0 SECTION 19 – DOCUMENTATION**

The VIHA must maintain records sufficient to detail the significant history of each procurement action. These records shall include, but shall not necessarily be limited to, the following:

- A. Rationale for the method of procurement (if not self-evident);
- B. Rationale of contract pricing arrangement (also if not self-evident);
- C. Reason for accepting or rejecting the bids or proposals;
- D. Basis for the contract price;
- E. A copy of the contract documents awarded or issued and signed by the Contracting Officer;
- F. Basis for contract modifications; and
- G. Related contract administration actions.

The level of documentation should be commensurate with the value of the procurement.

Records are to be retained for a period of three (3) years after final payment and all matters pertaining to the contact are closed.

## **20.0 SECTION 20 - DISPOSITION OF SURPLUS PROPERTY**

Property no longer necessary for the VIHA's purposes (non-real property) shall be transferred, sold, or disposed of in accordance with applicable Federal, State/Territory, and local laws and regulations.

## **21.0 SECTION 21 - FUNDING AVAILABILITY**

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

## **22.0 SECTION 22 - SELF-CERTIFICATION**

The VIHA self-certifies that this Procurement Policy and the VIHA's procurement system complies with all applicable Federal regulations and as such, the VIHA is exempt from prior HUD review and approval of individual procurement actions.