



**Housing Authority of New Orleans  
(HANO)**



**Department of Contracts and Compliance**

**Procurement Policy**

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## Section 1 - Introduction

The Contracts and Compliance Policy (“Procurement Policy”) is intended as a reference guide to provide Managing and User Departments and HANO staff with Procurement Policy guidelines.

Policies contained herein should be followed in order to promote compliance, consistency, accountability, and efficiency within the process.

Clarification of the roles and responsibilities of HANO staff and Managing Departments is an important component of this policy. HANO staff and Managing Departments are defined as those within HANO’s Central Office and properties and/or programs directly managed by HANO, including HANO affiliates and subsidiaries. HANO’s third party vendors, including its Development Partners and Property Management Companies (PMCOs) are not bound to these policies and unless a purchase is made by HANO on behalf of a third party asset management vendor. The policies included in this document are applicable to all vendors, excluding HAP vendors, doing business with HANO, as well as all HANO employees.

A key goal of this manual is to impress upon every HANO employee involved in procurement that there are specific policies which must be adhered to in order to spend agency, state and federal funds in a responsible, lawful and ethical manner.

This manual is a living document, subject to future revisions and additions. As new or revised sections are developed, updates will be issued (*See Section 1.5 – Approval of Policies*).

### 1.1 Purpose

The Housing Authority of New Orleans’ Board of Commissioners has adopted this Procurement Policy to provide the Authority staff with a set of policies for procurement of supplies, equipment, services, and construction. The purpose of these Procurement Policies is to establish a broad framework of policies and guidelines to ensure that HANO’s procurement and contracting functions promote administrative flexibility and efficiency, while at the same time maintaining prudent internal controls and compliance with applicable statutes and regulations.

Specific purposes of these Procurement Policies include, but are not limited to, the following:

1. Fairness and Objectivity: Providing a fair, objective, and equitable selection and contracting environment for all individuals and firms seeking to do business or contracting with HANO.
2. Cost Effectiveness: Promoting competition, and negotiating (where applicable), to ensure that HANO receives the most favorable prices and terms in its contracts.
3. Efficiency: Ensuring that supplies and services (consultant, construction, social services, etc.) are obtained efficiently and effectively.
4. Accountability: Promoting accountability of procurement actions by HANO employees.
5. Value-Added Procurement: Facilitating a procurement process that provides service and value to aid HANO in the execution of its core responsibilities.



6. Ethical Standards: Ensuring that HANO's procurement activities are implemented with the highest regard for integrity, avoidance of conflicts of interest, and consistent with applicable ethical standards.
7. Compliance: Complying with all applicable federal, state, and local regulations.

## 1.2 Scope

### 1. Funding Source

HANO receives funds from federal, non-federal, and private funding sources. As such, in its procurement activities, HANO shall follow procedures designed to ensure compliance with applicable laws and regulations without necessarily imposing a higher standard than is necessary to ensure compliance.

Where a requirement in these Policies is based only on federal requirements, HANO's Director of Contracts and Compliance may, on a case-by-case basis for non-federally funded contracts, apply a less stringent standard than outlined in the federal requirements, provided, however, that it is otherwise consistent with applicable Policies and that all State or other legal requirements are met.

Nothing in these Procurement Policies will prevent HANO from complying with the terms and conditions of any grant, contract, gift, or bequest that is otherwise consistent with law.

### 2. Included In Scope

This Procurement Policy applies to all contracts and procurement actions undertaken by HANO and its affiliates. It shall apply to all public purchasing and every expenditure of federal funds by the agency, including but not limited to, Capital Fund Programs, HOPE VI Programs, and Operating Subsidy funds. The term "procurement", as used in this Procurement Policy includes:

- a) Purchase orders
- b) Contracts
- c) Contract modifications
- d) Other types of procurement including:
  - Procurement/Credit Card(s)
  - Fuel Card(s)
  - Direct Check Request(s)

The above types of procurement are used to procure, purchase, lease, or rent the following:

- a) Goods, Supplies, Equipment, Materials
- b) Construction and Maintenance
- c) Professional Services
- d) Social Services
- e) Other Services

### 3. Excluded From Scope

The following shall not be governed by these Procurement Policies:



- a) Real Estate Purchase and Sale Transactions. (Surveys, appraisals, environmental site assessments, and financing analyses are considered Consultant services and shall be governed by these Procurement Policies.)
- b) Loan transactions and documents.
- c) Sub-recipient or sub-grantee agreements and related contract modifications.
- d) Employment contracts.
- e) Limited partnership agreements.
- f) Award of housing or other vouchers to non-profit agencies.
- g) Memoranda of Understanding and/or Agreements with other Public Agencies.
- h) Housing Assistance Payment contracts.

#### **4. Direct Pay**

The Direct Payments List is a list of transactions which, by the nature of the transaction, are impractical or impossible to competitively bid because of market or other conditions, and are thus exempt from competitive bidding requirements, although, still require pre-approval in accordance with the procurement threshold. These transactions do not have to be justified as a Non-Competitive Procurement but may be obtained directly by an employee with adequate Procurement Authority. Depending on the item, there may or may not be a contract or Purchase Order outlining the terms and conditions. If a contract or Purchase Order is required to outline the terms and conditions, it shall be labeled "Direct Pay."

The following reoccurring items, paid for on behalf of HANO, are authorized to be on the Direct Payment List:

- a) Utility bills (Water, Sewer, Electricity, Natural Gas, and other regulated utility expenses).
- b) Postage and other purchases from the U.S. Postal Service.
- c) Licenses, permits, and fees from governmental or regulatory entities at the federal, state, or local level.
- d) Purchases from other governmental entities (federal, state, city, local, port districts, Public Development Authorities (PDAs], housing authorities, state colleges and universities, state hospitals, etc.) where the governmental entity provides goods or services not available from the private sector.
- e) Emergency housing for HANO residents at motels/hotels, or as otherwise authorized by the Contracting Officer or Director of Contracts and Compliance.
- f) Service or use fees paid to governmental cooperative purchasing organizations.
- g) Legal services such as arbitration fees, litigation fees, witness fees, court costs, and related expenses (but not the cost of outside counsel, investigations, or related matters), when approved by the General Counsel.
- h) Legal settlements of disputed matters, and judgment claims against HANO (for use only with approval by the General Counsel).
- i) Renewal of existing annual proprietary maintenance or support agreements, and software license renewals for computer and telecommunication-related services (requires approval of the Director of Contracts and Compliance).



- j) Traffic control (flagging) by off-duty police officers (only when required).
- k) Advertisements for employment opportunities, purchasing and contracting solicitations, sale of surplus items, public announcements and outreach, etc. (all media). This exception does not include printing, design, or graphics services.
- l) Freight bills, express shipping, common carriers, and delivery services.
- m) Insurance deductible and/or retained losses (requires approval of the HANO Risk Administrator).
- n) Taxi, public transportation, and toll fares; mileage and incidental parking expenses.
- o) Publications and subscriptions (newspapers, magazines, books, pre-printed materials, reprints, publishers page charges, electronic publications, online subscription services, pre-recorded audio or video cassettes, slide presentations, tapes, CDs, diskettes when purchased from the publisher or producer; etc.).
- p) Mailing lists (print or electronic).
- q) Professional association membership dues, fees, licenses, accreditation, and certifications.
- r) Royalties, broadcast rights, and film rentals from the producer or protected distributors.
- s) Transactions not subject to the Procurement Policies outlined in Section 5 - Procurement Methods, of this manual.

The following non-reoccurring items, paid for on behalf of HANO employees or residents, are authorized to be on the Direct Payment List:

- a) Credit card charges for approved expenses while on travel status.
- b) Travel expenses for HANO employees, residents, program participants, volunteers, or members of the Board of Commissioners necessary to conduct HANO business.
- c) Training registration fees and tuition for pre-established, non-HANO specific, off-site classes, seminars, workshops, etc. for HANO employees, residents, program participants, volunteers, and members of the Board of Commissioners.
- d) Testing and travel expenses of employment applicants (including relocation expenses for eligible personnel). This includes travel expenses of certain out-of-state job applicants (Travel expenses of job applicants must be approved by the Contracting Officer).
- e) Conference and convention expenses and fees for HANO employees, residents, program participants, volunteers, or members of the Board of Commissioners conducting HANO business.
- f) Honoraria and stipends.
- g) Entertainment such as speakers, lecturers, musicians, performing artists. Only when such expenses are permitted by the grant funding the activity.
- h) Automotive repairs to HANO-owned fleet vehicles with authorized automotive dealers when HANO's auto shop is not equipped or capable of performing



the required repairs and it is impractical to obtain competitive pricing, particularly for immobile vehicles.

### **1.3 Governing Laws & Regulations**

#### **1. Applicable Law & Regulations**

In adopting these Procurement Policies, the Board of Commissioners and Contracting Officer affirm that the policies are in compliance with all applicable federal, state, and local laws and regulations, which may include, but not be limited to, the following:

- a) 24 CFR 85.36 (HUD Procurement Regulations)
- b) 7460.8 rev-2 (HUD Procurement Handbook)
- c) HUD's Annual Contributions Contract (ACC)
- d) HOPE VI Grant Agreements
- e) Louisiana Public Bid Law, Revised Statute 38:2211 and 38:2212 et. seq.

In general, where the above laws, regulations or procurement rules conflict, the more stringent law or rule should be applied. Exceptions to following the more stringent procurement rules include:

- a) Geographic Preferences: Although some States impose certain geographic preference restrictions in the evaluation of offers, 24 CFR 85.36(c)(2) preempts such laws by prohibiting the use of geographic restrictions unless expressly required or encouraged by Federal law.
- b) State Prevailing Wage Requirements: Federal wage determinations (either Davis-Bacon or HUD-Determined Wage Rates) preempt any State prevailing wage rate when the State wage rate is higher than the applicable Federally-imposed wage rate (24 CFR Part 965).

Per the HUD Procurement Handbook, if Local Governing Body (LGB) is required to furnish the same public facilities and services to HANO and its tenants as other dwellings, HUD requires HANO obtain a Cooperation Agreement between HANO and the LGB. The LGB is required to cooperate with HANO in the development and administration of its projects, to accept dedications of lands for roads, alleys, and sidewalks and to provide water, storm and sanitary storm services for which HANO shall pay the same amount as private owners.

#### **2. HUD Handbook & Guidelines**

Consistent with 24 CFR 85.5 that refers to "handbooks and other non-regulatory materials," HANO recognizes HUD Handbooks and Guidelines as non-regulatory, non-binding advice, except to the extent that Handbooks or Guidelines articulate statutory or regulatory requirements.

#### **3. Conflicts Between Policies & Other Laws or Regulations**

In the event of a conflict between these Procurement Policies and any applicable law or regulation, the law or regulation will prevail.

#### **4. Changes in Laws & 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 Procurement Policies, automatically supersede these



Procurement Policies, and the Director of Contracts and Compliance shall make appropriate modifications to HANO's Procurement Policies.

#### **1.4 Responsibilities**

The responsibilities of the following HANO employees are limited to their responsibilities related to procurement only and are not all inclusive.

##### **1. Chief Executive Officer (CEO)**

The CEO is responsible for the management of all procurement for HANO, and shall hold Department Directors and other staff accountable for complying with these Procurement Policies and related Procurement Procedures. HANO's CEO is the Contracting Officer for the organization, and consequently, must execute all contracts on behalf of the organization after proper approval is obtained based on expenditure authority. These Procurement Policies and related Procedures will be adopted administratively by the CEO or his/her designee. The CEO shall:

- a) Use sound judgment in accomplishing the procurement activities of HANO.
- b) Ensure that all procurement activities of HANO are conducted consistent with the best interests of HANO and applicable laws and regulations.
- c) Assign a Contract Monitor via written delegation of a Contracting Officer's Representative (Contract Monitor) for each contract to ensure adequate contract monitoring, oversight, and administration.
- d) Authorize all purchases in accordance with Procurement Authority Limits.
- e) Ensure funding is available for purchases prior to authorized purchase approval.
- f) Review and present all purchases over \$100,000 for Board of Commissioners' approval.
- g) Approve and implement appropriate Procurement Procedures that are consistent with these Procurement Policies.

##### **2. Director of Contracts and Compliance**

The Director of Contracts and Compliance, acting upon the recommendation of Department Directors and HANO leadership with Procurement Authority, as set forth in Section 2 - Procurement Authority, of this policy, shall be responsible for the following:

- a) Compliance with Policies and related Procedures in reviewing and approving all procurement activity.
- b) Use sound judgment in accomplishing the procurement activities of HANO.
- c) Ensuring procurement activity is authorized by the appropriate HANO employee, as set forth in the policy, and accompanied by the appropriate approval.
- d) Ensure that bidders and contractors receive fair, impartial, and equitable treatment.
- e) Ensure that contract actions comply with all applicable Federal, State, and local laws and rules and with HANO's approved procurement policy.
- f) Seek the best value and greatest overall benefit for HANO in response to a department's needs.
- g) Ensure an Independent Cost Estimate is completed by the Requesting Department's Director (*see Section 6.3 – Ensuring Reasonable Cost*).
- h) Ensuring that sufficient cost analysis, in the required form, is prepared and considered prior to approval of any contract or contract modification by the Director of Contracts and Compliance.



- i) Ensuring that solicitations, contracts, and contract modifications are in writing, clearly specifying the desired goods or services.
- j) That contracts are supported by sufficient documentation regarding the procurement process, including, at a minimum, the rationale for the method of procurement chosen (if not apparent), the solicitation documents, bids or proposals received, the selection of contract type (if not apparent), contractor selection or rejection and the basis for the contract price.
- k) Coordinating, hearing, and deciding upon all bidding and selection related protests and appeals.
- l) Coordinating and distributing all award notifications.
- m) Obtain Finance Department verification that funds are available for purchases prior to authorized purchase order approval.
- n) Maintaining the official and original contract files for HANO.
- o) Maintaining, updating, and distributing procurement policies.
- p) Training personnel on HANO Procurement Policy and other applicable laws and regulations.
- q) Preparation of the annual Procurement Plan.
- r) Monitor procurement activities and perform spend analysis.

### **3. Department Directors/Asset Managers**

Department Directors and Asset Managers are responsible for managing the procurement related activities of their department/site, for ensuring compliance with Policies and related Procedures, and for ensuring, either directly or indirectly, the following:

- a) Determining the department's/site's procurement needs and developing scopes of work that are appropriate, sufficient, detailed, clear, and comply with the Procurement Policy.
- b) Making recommendations to the Department of Contracts and Compliance for solicitations, contracts, and contract modifications that are consistent with these Policies.
- c) Reviewing all RFPs, RFQs, Invitation for Bids, and informal solicitations initiated by the department/site before being submitted to the Department of Contracts and Compliance.
- d) Ensuring anything forwarded to the Department of Contracts and Compliance for action followed the prescribed process within his/her department/site.
- e) Assigning ownership of each procurement to an appropriate staff person that has been trained in HANO's Procurement Policy.
- f) Ensuring each assigned staff person understands his/her procurement responsibilities, has been provided with sufficient training, and is provided with ongoing supervision either directly from the Department Director or indirectly through another manager or supervisor.
- g) Ensuring that a solicitation or contract is appropriately coordinated with others in HANO, and reviewing proposed solicitations and contracting actions to avoid unnecessary or duplicative procurements.
- h) Assisting the Director of Contracts and Compliance in preparing the annual Procurement Plan.
- i) Helping the Director of Contracts and Compliance to evaluate the most economical, equitable, and efficient approach to a procurement, including whether to consolidate or split a procurement; where appropriate based on sound and documented business reasons, whether to lease or purchase items; and any other appropriate cost-benefit analyses. Procurements shall not be split in order to avoid various dollar thresholds related to the



solicitation and selection process. See Section 3 - Ethical Standards for HANO's formal bid splitting policy.

- j) Developing an Independent Cost Estimate prior to solicitation (see *Section 6.3 – Ensuring Reasonable Cost*).
- k) Monitoring the department's/site's annual budget and coordinating with the Finance Department, when necessary, to ensure there is sufficient funding available to accomplish work desired by the department.
- l) Reviewing invoices received in a timely manner to ensure that:
  - The charges are consistent with the terms of the contract.
  - The goods and services invoiced have been received consistent with the requirements of the contract.
  - There is a sufficient amount of money available in the contract amount to pay for the goods or services.
  - The invoice is paid within 30 days of receipt, or within the terms of the contract.
- m) Assist Director of Contracts and Compliance where appropriate and permitted by law, negotiating with contractors, consultants, and vendors to obtain the best prices for HANO, and for protecting the financial interests of HANO.
- n) Conducting a Cost Analysis or Price Analysis for every contract or contract modification.
- o) Monitoring the expiration date of a contract and requesting a contract modification, where appropriate, prior to the expiration date.

#### **4. Finance Department**

The Finance Department is responsible for working in partnership with the Department of Contracts and Compliance and HANO departments formulating the agency's annual Procurement Plan. The Finance Department is also responsible for assisting departments in managing their budgets and for reviewing contracts and contract modifications prior to execution to ensure that sufficient funding exists to accomplish the work. In addition, the Finance Department shall review and approve all payment terms and fee schedules prior to contract execution.

The Finance Department shall ensure that payments made on all contracts are consistent with the applicable contract terms and made in accordance with the Procurement Policy, as well as ensure that all payables made toward open purchase orders and contracts are correctly applied to the appropriate purchase order or contract for reporting and contract management purposes.

### **1.5 Approval of Policies**

#### **1. Adoption by Board of Commissioners**

The Procurement Policy shall be adopted by HANO's Board of Commissioners and any substantive changes to the Policies must also be approved by the Board.

#### **2. Self-Certification of Policies to HUD**

Consistent with 24 CFR 85.36(g)(3)(ii), which authorizes a housing authority to self-certify to HUD that its procurement policies are in compliance with all applicable laws and regulations, the HANO Board of Commissioners, in adopting these Policies, certifies that the Procurement Policies are in compliance with all applicable laws and regulations, specifically including, but not limited to, 24 CFR



85.36. Furthermore, the HANO Board of Commissioners authorizes the CEO to HUD and to self-certify HANO's procurement system as defined in CFR 85.36(g)(3)(ii).

### **3. Interpretation of Policies**

In the event of an ambiguity, contradiction, or unforeseen situation not addressed clearly or directly in these Policies, the CEO, either directly or through the Director of Contracts and Compliance, shall use his/her best professional judgment in making a decision that will best protect the interests of HANO, and ensure HANO's compliance with applicable statutory and regulatory requirements.

### **4. Policy Modifications**

At a minimum, HANO's Procurement Policy should be reviewed and necessary updates made on an annual basis. This review should be concurrent with HANO's annual review of its procurement authority. Policy changes that are made periodically throughout the year should be added as approved amendments to the Procurement Policy and incorporated into the appropriate section(s) of the Policy document during the annual review.

Policy changes should be made by the Director of Contracts and Compliance and tracked in the Amendment Log attached to the Procurement Policy.

## **1.6 Public Access to Procurement Information**

Procurement information shall be a matter of public record to the extent provided for in La. R.S. 44:1 et. seq., and will be made available upon request to the General Counsel, and as provided in that statute. A copy documentation charge may be assessed in the amount determined by the General Counsel.

## **Section 2 - Procurement Authority**

### **2.1 Responsibilities**

Procurement Authority refers to the delegation of responsibility to various HANO employees to recommend, commit, and expend HANO financial resources up to a particular dollar limit, for a cost center, site, or business unit over which the employee has jurisdiction and control.

Procurement Authority includes the following responsibilities:

- a) To make project and programmatic decisions.
- b) To recommend entering into a contract, recommend executing a contract modification, or approving a Purchase Request.
- c) To approve payment expenditures on the Direct Payments list (items not subject to competition) See Section 1.2 – Scope for a detailed list of approved Direct Payments.
- d) To carefully read and review applicable documents for accuracy and appropriateness.
- e) To coordinate actions with other HANO employees and outside parties as may be appropriate.
- f) To work with the Finance Department to ensure that adequate funds have been budgeted and are available for the proposed expenditure.



- g) To conduct a Cost Analysis or Price Analysis demonstrating that the proposed price of a contract or contract modification is reasonable.
- h) To act diligently in placing a priority on protecting HANO's financial and other interests.
- i) To comply with HANO's procurement policy including requirements related to ethical behavior (*See Section 3 - Ethical Standards, for more information*).
- j) To ensure, in conjunction with the Finance Department, that internal control(s) are followed to ensure that invoices are properly and timely approved, and that the work being approved for payment was satisfactorily performed or the goods received, that the amount approved for payment is consistent with the terms of the contract or Purchase Order, and that adequate funds remain in the contract or Purchase Order.

## **2.2 Documents Authorized to Sign**

An employee with Procurement Authority shall have the authority to approve and sign the following, up to the dollar amount authorized to them by the CEO.

### **1. Purchase Requests**

Purchase Requests approved by Department Directors from which the funds are being utilized.

### **2. Recommendations for Approval of Purchase Orders and Contracts**

All purchase orders and contracts must be approved by the Director of Contracts and Compliance and/or the CEO or his/her designee based on Procurement Authority amount consistent with the amount of the purchase order and/or contract.

### **3. Recommendations for Approval of Contract Modifications**

All proposed contract modifications must be approved by the Director of Contracts and Compliance or the CEO or his/her designee based on Procurement Authority amount consistent with the amount of the contract modification. Employees shall not split contract modifications in order to stay within their Procurement Authority amount.

### **4. Recommendations for Release of Solicitations**

All solicitations, including both formal RFPs, RFQs, Invitations for Bids and other such documents, and informal solicitations for goods or services, must be approved by the Director of Contracts and Compliance before such solicitation is advertised or otherwise distributed to contractors, consultants, or vendors. All recommendations to the Director of Contracts and Compliance for release of any solicitation must be in writing, signed by an individual with Procurement Authority for the estimated cost of the solicitation, or by the applicable Department Director. The Director of Contracts and Compliance shall review the recommendation and shall, if appropriate, approve the release of the solicitation. The Director of Contracts and Compliance may, on an exception basis, authorize the release of certain solicitations without his/her prior review. The CEO or his/her designee shall develop procedures and/or routing forms as may be appropriate to facilitate these approvals.



**5. Recommendations for Selections and Awards**

All recommendations must be in writing for selection of contractors, consultants, vendors, or other service providers subject to these Procurement Policies and be signed by an individual with Procurement Authority for the estimated or actual award amount. The Director of Contracts and Compliance shall review the recommendation and, if appropriate, approve the selection or award the contract, except that all recommendations to the Director of Contracts and Compliance for non-competitive selections and awards must be in writing and signed by the Department Director and CEO (subject to Procurement Authority limits).

**6. Authorization for Expenditure for Direct Payments**

Authorization to pay for items listed on the Direct Payments list (see Section 4.5 - Non-Standard Procurements) must be signed by an employee with Procurement Authority in an amount consistent with the amount of the proposed payment.

**7. Contractor/Vendor Invoices**

Authorization to sign and approve invoices for payment on previously authorized contracts, contract modifications, and purchase orders.

**2.3 Procurement Authority Limits**

No HANO employee with (or without) procurement authority is authorized to approve purchase requests outside or in excess of a department's or site's budget. If a purchase request is above (or not included in) the Requesting Department's/Site's budget, the Requesting Department/Site must first submit and obtain approval for a budget revision request.

**1. Responsibilities**

The CEO shall be responsible for providing oversight and management of all expenditures for the agency.

**2. Procurement Authority Limit**

The authority to approve/authorize procurements/expenditure shall be done in accordance with the following limits:

Procurement Method	Authorized Expenditures	Authorized Approver
IFB, RFP, RFQ	\$100,000 +	Board of Commissioners
Small Procurement	\$2,000 - \$100,000	Contracting Officer
Micro-Purchase	\$0 - \$2,000	Director of Contracts and Compliance

**3. Delegation to the Director of Contracts and Compliance**

In order to facilitate efficient procurement activities, the Board of Commissioners authorizes the CEO to delegate Procurement Authority to the Director of Contracts and Compliance in accordance with the limits outlined in the table above.



#### **4. Delegation to Department Directors/Asset Managers**

The Board of Commissioners also authorizes the CEO to delegate procurement authority to the Department Director/Asset Manager from which the funds will be utilized to make the requested purchases. Procurement authority may be delegated to Department Directors/Asset Managers, which must be reviewed and approved annually. All requested purchases will be compared against the budget by the purchase order or contract approver before the purchase order is executed. It is the responsibility of all HANO Department Directors/Asset Managers to review his/her budgets prior to the approval of purchase requests to ensure funds are available to fund the purchase(s) provided the item or service being procured is contained within the approved budget and does not exceed line item amount(s). If funds are not available and the purchase is still required, the Director/Manager must indicate in the notes of the request that he/she is aware of the deficit funds issue and provide rationale for why the purchase should still be pursued.

#### **5. Further Delegation of Procurement Authority**

Once procurement authority is delegated to the Director of Contracts and Compliance, Department Directors and/or Asset Managers, procurement authority may not be further delegated by the Director of Contracts and Compliance or Directors/Managers. However, the CEO may, in special circumstances and where justified based on the nature of the position, delegate Procurement Authority to an employee who is not a Department Director or Asset Manager. This authority is to be used in rare circumstances in which new programming and immediate funding requires a new position to oversee the disbursement of funds in accordance with a program, grant, or other State or Federally supported initiative.

#### **6. Non-Competitive Selections**

All non-competitive selection recommendations (emergency, sole source, proprietary, single response to a solicitation, etc.) must be approved by the Contracting Officer.

Exception: Single responses for micro-purchases and small purchases up to \$2,000 may be approved by the Director of Contracts and Compliance.

#### **7. Cancellation of Procurement Authority**

The CEO may cancel the Procurement Authority granted to an employee based on a change of job duties, abuse or mismanagement of Procurement Authority by the employee, or other reasons sufficient for the CEO. Such cancellations must be in writing and transmitted to the Director of Contracts and Compliance and the CFO.

#### **8. Contract Award Authority**

The CEO, as HANO's Contracting Officer, may designate additional individuals with contract award authority only with approval by HANO's Board of Commissioners.

### **2.4 Segregation of Duties**



Segregation of duties is an internal control intended to prevent or decrease the occurrence of innocent errors or intentional fraud. This is done by ensuring that no single individual has control over all phases of a procurement transaction.

Whenever possible, the following segregation of duties in regards to procurement should be followed by HANO personnel:

- a) Authorizing a purchase, and receiving and maintaining custody of the asset that resulted from the transaction.
- b) Authoring and approving the same purchase order.
- c) Approving non-standard procurement reimbursement and receiving the reimbursement.
- d) Reimbursing oneself for a non-standard reimbursement, e.g., Petty Cash Custodian authorizing reimbursement to him/herself.

If HANO leadership finds that current staffing levels prohibit proper segregation of duties, Department Directors and other areas of HANO leadership may need to take a more active role to achieve separation of duties, by checking the work done by others.

## **2.5 Contracting Authority**

The CEO shall be and act as HANO's Contracting Officer, unless the function is formally re-assigned, in writing, by HANO's Board of Commissioners. All contracts or commitments of funds exceeding \$100,000 shall be approved by the Board of Commissioners prior to award of such contract or commitment of funds by the Contracting Officer. The Director of Contracts and Compliance shall have contracting authority to approve commitments of funds up to \$2,000 in order to expedite the approval process for procurement-related actions.

HANO's contract authority is dependent upon approval of the terms and conditions of the proposed contract by its General Counsel. HANO's General Counsel may, as necessary, participate in contract negotiations with User Departments and the Director of Contracts and Compliance. The Director of Contracts and Compliance may approve all contracts up to \$2,000. All contracts over \$2,000 must be approved by the CEO or his/her designee, and all contracts, amendments, and/or change orders over \$100,000 must be approved by HANO's Board of Commissioners.

If HANO needs to execute a contract prior to the next Board of Commissioners' scheduled meeting, the CEO must obtain written permission from the Board of Commissioners. Once written approval is obtained, the approval of the contract will be ratified at the Board of Commissioners' next scheduled meeting. It is the responsibility of the Executive Administrator to maintain any written approvals from the Board of Commissioners. Written approval is acceptable through email, fax, or mail.

## **Section 3 - Ethical Standards**

### **3.1 General Provisions**

#### **1. Applicable Law & Regulations**

In the conduct of HANO's procurement system, HANO employees shall be aware of, and comply with, the following non-exclusive list of laws, regulations, and advice, which are hereby incorporated by reference as part of these Policies and set forth the basis of HANO's ethical procurement standards:



- a) 24 CFR 85.36 (HUD Procurement Regulations)
- b) 7460.8 rev-2 (HUD Procurement Handbook)
- c) Louisiana Public Bid Law, Revised Statute 38:2211 and 38:2212 et. seq.

## **2. Prohibition Against Bid Splitting**

HANO's Contracting Officer shall not break down requirements aggregating more than the small purchase threshold (or the Micro Purchase threshold) into multiple purchases that are less than the applicable threshold (commonly called 'bid splitting' or 'unbundling') merely to permit use of the small purchase procedures or avoid any requirements that apply to purchases that exceed those thresholds. However, larger requirements may be broken into smaller ones to afford small and disadvantaged businesses the opportunity to participate in HANO's procurements. The Contracting Officer should document in the contract file the reasons for breaking down larger requirements into smaller ones.

## **3. Reporting of Unethical Behavior & Actions**

All HANO employees must report all evidence of fraudulent or unethical behavior to one of the following sources:

- a) Direct Supervisor
- b) CEO
- c) General Counsel
- d) Inspector General, if applicable
- e) Federal Bureau of Investigations (FBI)

All HANO management are to report reported cases of unethical procurement behavior directly to the CEO, HUD Field Office, and State and local officials.

## **4. Disciplinary Actions**

Breaches of the ethical standards of this Chapter of the Procurement Policies may result in disciplinary actions, consistent with HANO personnel policies and procedures.

### **3.2 Conflicts of Interest**

No HANO employee shall:

#### **1. Contract Selection, Award, Administration**

Participate in the selection, award, or administration of a contract if a conflict of interest (direct or indirect financial interest, personal involvement that may impede objectivity, or other interest), real or apparent, would be involved. Participation shall include, but not be limited to: serving on an evaluation panel to select a firm; reviewing, endorsing, vendor set-up, authoring of purchase orders, or recommending an award or selection; approving or rejecting an award of a contract or Purchase Order.

#### **2. Project Under ACC**

In addition to any other applicable conflicts of interest requirements, neither HANO nor any of its contractors or their subcontractors may enter into any contract, subcontract, or arrangement in connection with a project under the ACC



in which any of the following classes of people have an interest, direct or indirect, during his or her tenure for two years thereafter:

- a) Any present or former member or officer of the governing body HANO of, or any member of the officer's immediate family. There shall be excepted from this prohibition any present or former tenant commissioner who does not serve on the governing body of a resident corporation, and who otherwise does not occupy a policymaking position with the resident corporation, HANO or the business entity.
- b) Any employee of HANO who formulated policy or who influences decisions with respect to the project(s), or any member of such individuals' immediate family, who exercises functions or responsibilities with respect to HANO projects.

### **3. Ownership & Business Interests**

Own or hold an interest in any contract or property or engage in any business, transaction, or professional or personal activity that would:

- a) Be, or appear to be, in conflict with the employee's official duties, or
- b) Secure, or appear to secure, an unwarranted privilege or advantage for the employee, or
- c) Prejudice, or appear to prejudice, the employee's independence of judgment in the exercise of his or her official duties relating to HANO.

### **4. Confidential Information**

Knowingly use confidential information for the employee's or another's actual or anticipated personal gain.

#### **3.3 Gifts and Gratuities**

An employee may not solicit or accept gifts, entertainment, gratuities, favors, or anything of monetary value from contractors or subcontractors, or potential contractors or subcontractors that could influence, or be perceived to influence, contracting or purchasing decisions.

Exception: In general, a nominal gift of less than \$25.00 in value that was not solicited by an employee, and which can be and is shared with all employees and/or the public, may be considered acceptable. Employees are expected to exercise good judgment before accepting any gift, and to check with a supervisor or manager if in doubt.

The Director of Contracts and Compliance shall report to the CEO, HUD Field Office, and appropriate State and local officials any suspected anticompetitive practices by contractors.

#### **3.4 Contracting with Former HANO Employees**

The following shall apply to contracts financed in whole or in part with federal funds:



### **1. Two Year Prohibition**

Within two years after an employee leaves HANO, HANO shall not contract with such employee if the employee was responsible for formulating policy or influencing decisions with respect to the project(s) being contracted for.

### **2. Waiver**

For good cause, the Contracting Officer may request in writing a waiver of the two year prohibition requirement from HUD. The written request must include rationale explaining why the waiver is needed.

## **Section 4 - Procurement Planning**

### **4.1 Annual Procurement Plan**

As a part of its budget planning process for each fiscal year, the agency will review its record of prior year purchases, as well as its needs for the next fiscal year. Each Managing Department in coordination with the Department of Contracts and Compliance shall analyze budget and program plans and prepare a preliminary listing of its procurement requirements for the upcoming fiscal year. The Department of Contracts and Compliance shall be responsible for reviewing preliminary listings to ensure balance between planned actions for the upcoming year and the department's historical contract spending, taking into consideration any changes in program budget levels and planned program initiatives. The Department of Contracts and Compliance shall review each department's preliminary listing of proposed procurement actions and consolidate into the agency's comprehensive annual Procurement Plan.

The Procurement Plan shall serve as the mechanism by which the Department of Contracts and Compliance will plan all procurement activities and it will help to: maximize competition and competitive pricing and reduce administrative costs, improve efficiency and provide a tool for monitoring compliance. The Procurement Plan will assist Contracts and Compliance in performing a spend analysis and taking advantage of volume purchasing by State or local agencies using strategic sourcing methods.

## **Section 5 - Procurement Methods**

This chapter describes the criteria for selection of the appropriate procurement method to be employed for each procurement action. The procurement method selected shall be based on the nature and anticipated dollar value of the total requirement.

### **5.1 Small Purchase Procedures (under \$100,000)**

As specified in the HUD Procurement Handbook (7460.8 rev-2), small purchases are less than \$100,000 in value. Any contract, with the exception of contracts for materials, equipment, and supplies that meet the definition of "Public Work" as defined in the Louisiana Public Works Act, LA R.S. 38:2212, not exceeding \$150,000 may be made in accordance with the small purchase policies authorized in this section. Purchases shall not be divided so as to make it possible to purchase under this policy, except as may be reasonable and necessary to contract with small and disadvantaged-owned businesses, women business enterprises, labor surplus area businesses, and individuals or firms located in or owned in substantial part by persons residing in the area of HANO's development sites or other Section 3 owned businesses. Materials, equipment, and supplies that meet the definition of "Public



Work," as defined in the Louisiana Public Works Act, and exceed \$30,000 shall not be procured using small purchase procedures.

#### **5.1.1 Small Purchases of \$2,000 or Less (Micro-Purchases)**

Purchases involving an expenditure of \$2,000 or less may be made after obtaining one price quotation, if the price received is considered reasonable. Vendor catalogs, as well as previous purchases, where applicable, of the same or similar item should be considered in determining price reasonableness. To the extent practicable, such micro-purchases must be distributed equitably among qualified sources and if practical, a quotation shall be solicited from other than the previous source before placing a repeat order.

#### **5.1.2 Small Purchases of more than \$2,000 and less than \$30,000**

Purchases involving an expenditure of more than \$2,000 and less than \$30,000 may be made after soliciting three telephone or facsimile quotations from qualified sources. Quotations may be solicited orally, by telephone, or in writing. At a minimum, written documentation shall include the company name, phone number and amount of quote. The PO or contract shall act as confirmation of the acceptance offer shall be obtained made part of the purchase file. If quotations lower than the accepted bid are received, the reasons for their rejection shall be recorded in the purchase file.

Before making an contract award, the Director of Contracts and Compliance must determine that the proposed price is fair and reasonable. Generally, price analysis will consist of a comparison of quotations to each other and to other sources of pricing information (e.g., past prices paid, catalogs, etc). If only one quote is received, the Director of Contracts and Compliance should include a statement of reasonableness in the contract file. The statement must be based on market research, comparison of the proposed price with prices found reasonable on previous purchases, contract price lists, catalogs, or advertisements, a comparison of similar items in a related industry, the Contracting Officer's personal knowledge at the time of purchase, comparison to the Independent Cost Evaluation, or any other reasonable basis.

#### **5.1.3 Small Purchases of more than \$30,000 and Less than \$100,000 (Except for purchases of materials, equipment, and supplies that meet the definition of "Public Work"<sup>1</sup>)**

Procurements of more than \$30,000 and less than \$100,000 for professional services or construction shall be made through a Request for Proposals (RFP) or Request for Quotes process where a solicitation will be issued to a minimum of three vendors.

No advertising is necessary provided a sufficient number of bids/proposals can be solicited.

### **5.2 Sealed Bidding**

Competitive Bidding for Public Works is required under Louisiana Public Bid Law and the HUD Procurement Handbook which mandates that, except for otherwise provided and with the exception of small purchase orders (see Section 4.1 - Small Purchase



*Procedures*), all purchase orders, or sale of personal property, materials, equipment, or supplies, must be let by free and open competitive bidding after advertisement, to the lowest, responsible, and responsive bidder. Such purchases may include:

### **5.2.1 Non-Construction Contracts**

Commodity contracts over \$30,000 except for procurement of professional services, other services (when non-price factors will be used as a basis for selection), and purchases made in accordance with cooperative purchase agreements, shall be made only by obtaining competitive sealed bids.

#### **1. Solicitation and Receipt of Bids**

An Invitation for Bids shall be advertised and published once each week for the two weeks preceding the bid opening in a newspaper in the locality. In addition, HANO shall also publish the advertisement on its agency website which is available to the general public. Further, the first advertisement must be at least 15 days prior to bid opening and cannot be made on a Saturday, Sunday, or legal holiday. The advertisement must specify the date, time, and location of both the place for receipt of bids and the place for the public bid opening. The advertisement shall also state where complete specifications can be inspected or obtained by interested parties. Copies of the specifications must be made available on the first day of the advertisement and until 24 hours before the bid opening date. Bidders shall be provided the option to submit bids through a uniform and secure electronic interactive system. Any special condition or requirement for electronic submission of bids shall be specified in the advertisement.

#### **2. Specifications**

A complete and realistic specification or purchase description shall be adopted and available to bidders. Specifications pertinent to such bidding shall be written so as not to exclude comparable equipment of domestic manufacture. HANO will endeavor in formulation of specifications, advertisements, etc., to incorporate a clear and accurate description of the technical requirements for product or service to be procured. Such description shall not in competitive procurements, contain features that unduly restrict competition. The description may include a statement of the qualitative nature of the product to be procured, and when necessary, shall set forth those minimum essential characteristics and standards that it must conform to if it is to satisfy its intended use. HANO shall identify all requirements that the vendors must fulfill and all other factors to be used in evaluating bids or proposals.

### **5.2.2 Construction Contracts**

Construction contracts where the amount of the contract exceeds \$100,000 shall be made only by obtaining competitive sealed bids unless otherwise allowed by Louisiana State Bid Law.

Construction contracts greater than \$2,000 and less than \$100,000 shall be made only through the Small Purchase Procurement Method (See Section 5.1 – Small Purchase Procedures).



## **1. Solicitation and Receipt of Bids**

An Invitation for Bids shall be advertised and published once each week for the three weeks preceding the bid opening in a newspaper in the locality. In addition, HANO shall also publish the advertisement on its agency website which is available to the general public. Further, the first advertisement must be at least 25 days prior to bid opening and cannot be made on a Saturday, Sunday, or legal holiday. The advertisement must specify the date, time, and location of both the place for receipt of bids and the place for the public bid opening. The advertisement shall also state where complete specifications can be inspected or obtained by interested parties. Copies of the specifications must be made available on the first day of the advertisement and until 24 hours before the bid opening date. Bidders shall be provided the option to submit bids through a uniform and secure electronic interactive system. Any special condition or requirement for electronic submission of bids shall be specified in the advertisement.

## **2. Specifications**

A complete and realistic specification or purchase description shall be adopted and available to bidders. Specifications pertinent to such bidding shall be written so as not to limit competition. HANO shall identify all requirements that the contractor must fulfill and all other factors to be used in evaluating bids.

## **3. Bonds**

1. For construction contracts exceeding the small threshold, as stated in Section 5.2.2 above, contractors shall be required to submit a bid guarantee equivalent to 5% of the bid price.
2. Prior to execution of any contract, the successful bidder shall furnish an assurance of completion. This assurance may be any one of the following:
  - a) A performance and payment bond in a penal sum of 100% of the contract price; or
  - b) Separate performance and payment bonds, each for 50% or more of the contract price.
3. The bonds must be obtained from guarantee or surety companies acceptable to the U.S. Government and authorized to do business in the State of Louisiana. Individual sureties shall not be considered. U.S. Treasury Circular 570 lists companies approved to act as sureties on bonds securing government contracts, the maximum underwriting limits on each contract bonded, and the States in which the company is licensed to do business. Use of companies on this circular is mandatory.

### **5.2.3 Conditions for Use**

Contracts shall be awarded based on a competitive sealed bid if the following conditions are present:

- a) A complete, adequate, and realistic specification of purchase description is available;



- b) Two or more responsible bidders are willing and able to compete effectively for the work;
- c) The procurement lends itself to a firm fixed price contract; and
- d) The selection of the successful bidder can be made principally on the basis of price.

#### **5.2.4 Bid Opening and Award**

The following applies to construction and non-construction contracts:

- a) All bids received shall be time-stamped, but not opened, and shall be stored in a secure place until public bid opening;
- b) A bidder may withdraw its bid at any time prior to the bid opening;
- c) Bids shall be opened publicly, and in the presence of at least one witness, at the time and place prescribed in the Invitation for Bids;
- d) An abstract of the bids shall be recorded;
- e) HANO shall not accept a bid based on items and/or conditions not included in the specifications;
- f) Contract award will be made by written notice to the successful bidder;
- g) If equal low bids are received from responsible bidders, award shall be made by drawing lots or a similar random method;
- h) If the lowest responsive and responsible bidder is not also the low bidder, than an explanation as to the reason the low bidder is not also the lowest responsive and responsible bidder shall be contained in the procurement file;
- i) If only one responsive bid is received from a responsible bidder, award shall only be made if a cost analysis verifies the reasonableness of the price; and
- j) j. Any and all bids may be rejected for just cause in accordance with La. R.S. 38:2214(B).

#### **5.2.5 Mistakes in Bids**

The following applies to construction and non-construction contracts:

- a) Correction or withdrawal of inadvertently erroneous bids may be permitted, where appropriate, before bid opening by written or telegraphic notice receive in the Office designated in the Invitation for Bids prior to the time set for bid opening. After bid opening, the bidder may withdraw bids containing patently obvious, unintentional, and substantial mechanical, clerical, or mathematical errors, or errors of unintentional omission of a substantial quantity of work, labor, material, or services made directly in compilation of the bid.
- b) The bidder must give clear and convincing sworn, written evidence of such errors to HANO within 48 hours of the bid opening excluding Saturdays, Sundays, and legal holidays.
- c) If HANO determines that the error meets the above standard, as opposed to a judgment error, and that the bid was submitted in good faith, HANO must accept the withdrawal and return the bid security to the bidder.
- d) A bidder who attempts to withdraw a bid cannot later submit a bid on the same project if the project is later rebid.



- e) If all bids are rejected and the project is rebid, no award can be made to a partner of the withdrawing bidder or to a corporation or business venture in which the withdrawing partner has an interest.
- f) The withdrawing bidder cannot supply any material or labor to, or perform any subcontract work on the project.
- g) All decisions to allow correction or withdrawal of bid mistakes shall be supported by a written determination signed by the Director of Contracts and Compliance. After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of HANO or fair competition shall be permitted.

### **5.3 Request for Proposals**

#### **5.3.1 Conditions for Use**

The competitive proposal method of procurement shall be used for procurements for professional services contracts and services contracts where HANO determines that the sealed bid method of procurement is inappropriate.

#### **5.3.2 Solicitation**

The Request for Proposals (RFP) shall be advertised and published once each week for the two weeks preceding submission due date and time in a newspaper in the locality. In addition, HANO shall also publish the advertisement on its agency website which is available to the general public. Further, the first advertisement should, where feasible, be at least 25 days prior to the proposal submission due date and time and cannot be made on a Saturday, Sunday, or legal holiday. The Director of Contracts and Compliance may determine that a lesser period of advertisement is acceptable. Under no circumstance, can the first advertisement be fewer than 15 days prior to the proposal submission due date and time. The advertisement must specify the date, time, and location of the place for receipt of proposals. The advertisement shall also state where the RFP can be obtained by interested parties. Copies of the RFP must be made available on the first day of the advertisement and until 24 hours before the submission due date and time.

#### **5.3.3 Proposal Evaluation**

The RFP shall clearly identify the relative importance of price and other evaluation factors including the weight given to each factor. A mechanism for fairly and thoroughly evaluating the technical and price proposals shall be established before the solicitation is issued, and the proposals shall be evaluated only on the criteria stated in the RFP. All proposals received shall be evaluated by an evaluation committee approved by the CEO.

#### **5.3.4 Receipt and Handling of Proposals**

The following procedures apply:

1. All proposals received shall be time-stamped, and shall remain stored in a secure place until such time as the proposals are evaluated; and



2. Proposals shall be handled so as to prevent disclosure of the number of offerors, identity of offerors, and the contents of their proposals; and
3. All information submitted in response to a solicitation shall remain confidential until after final approval. HANO shall not disclose information submitted to HANO in confidence in response to a solicitation, and not otherwise required by law to be submitted, where such information should reasonably be considered confidential.

#### **5.3.5 Negotiation**

Unless HANO makes a written determination to make contract award without negotiations, based on initial proposals received, negotiations shall be conducted with all offerors who submit proposals determined to have a reasonable chance of being selected for award, based on evaluation against the technical and price factors, as specified in the RFP. Such offerors shall be accorded fair and equal treatment with respect to any opportunity for negotiation and revision of proposals. The purpose of negotiations shall be to seek clarification with regard to and advise offerors of the deficiencies in both the technical and price aspects of their proposals so as to assure full understanding of and conformance to the solicitation requirements. No offeror shall be provided 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. Offerors shall not be directed to reduce their proposed prices to a specific amount in order to be considered for award. A common deadline shall be established for receipt of proposal revisions (Best and Final Offers) based on negotiations.

#### **5.3.6 Award**

After evaluation of each proposal, including revisions (Best and Final Offers), if any, the contract shall be awarded to the responsible firm whose qualifications, price and other factors considered, are the most advantageous to HANO.

#### **5.4 Request for Qualifications**

In the selection of A/E services (and certain development services as allowed in the Federal regulations), the Request for Qualifications (RFQ) based method of selection, where price is not used as an evaluation factor, may be used. Selection shall be made based on the established evaluation factors subject to negotiating a fair and reasonable fee. All other requirements of Section 5.45.3 – Request for Proposals, including those related to solicitations, and handling of proposals, shall apply.

#### **5.5 Non-Standard Procurement**

Non-Standard Procurements are defined as HANO's approved alternative methods to procure goods and/or services outside of standard issuance of purchase orders and contracts. Non-Standard Procurement methods include: Employee Reimbursement, Credit Card(s), Store Credit, Fuel Card(s), and Petty Cash. Use of non-standard procurement methods for personal use is strictly prohibited.



The table below outlines the appropriate and approved uses of each type of non-standard procurement:

Non-Standard Procurement Method	Authorized Expenditures	Expenditure Limit(s) (per transaction)
Credit/Purchasing Card(s)	Purchase of low-value supplies and services that cannot practically be purchased under the micro-purchase method for Small Procurements or for approved emergency or expedient procurements.	\$0 – \$2,000
Store Credit	<i>See authorized credit card expenditures described above.</i>	\$0 – \$200.00
Fleet Maintenance	Gasoline for HANO-owned, leased, or rented fleet vehicles used for official HANO business.	\$0 – \$200.00
Petty Cash	Purchase of low-value supplies and services that cannot be practically purchased under the micro-purchase method for Small Procurements or for approved emergency or expedient procurements.	\$0 – \$75.00

## 5.6 Non-Competitive Procurement

### 5.6.1 Conditions for Use

Procurements shall be conducted competitively to the maximum extent possible. HANO may make procurements by noncompetitive proposals only when award of a contract is not feasible using small purchase procedures, sealed bidding, or the competitive proposal method, and one of the following applies (regardless of amount):

- a) The item is available only from a single source, based on a good faith review of available sources;
- b) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- c) HUD authorizes the use of non-competitive proposals; or
- d) After solicitation of a number of sources, competition is determined inadequate.

If a proposal is submitted for a non-competitive procurement, contract award must follow a process for competitive procurement (*see Section 5.2 – Sealed Bidding*). The proposal must be evaluated and the technical and cost aspects of the proposal may be negotiated. The offeror must be determined reasonable at the time of award.



### **5.6.2 Other Requirements**

The following requirements apply to non-competitive procurements that, if not for the exceptions provided in La R.S. 38:2212 (D)(1) and (D)(2), would otherwise be subject to the Public Works Act:

1. HANO shall certify the emergency in writing and publish notice of such declaration of emergency in the official journal within 10 days thereof.
2. An emergency exists that seriously threatens the public health, welfare, or safety, or endangers property, or would otherwise cause serious injury to HANO, 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 of the other procurement methods, and the emergency procurement is limited to those supplies, services, or construction necessary simply to meet the emergency;
3. When contract action is taken pursuant to telephone or other oral offers, a written confirmation of the accepted offer shall be obtained and made a part of the contract file. In addition, whenever contract action is taken, a record shall be established which shall contain, at a minimum, the following information with respect to each offer:
  - a) A description of the work to be performed;
  - b) The name and address of each offeror quoting, and the performance time and terms of each offer;
  - c) If quotations lower than the accepted quotation are received, the reasons for their rejection shall be recorded and made a part of the contract file. Such records shall be retained in accordance with all applicable laws, regulations, and HANO policies.

### **5.7 Cooperative Purchasing**

To the extent procurement needs can be fulfilled through existing State and/or General Services Administration (GSA) contracts, HANO may purchase items at the state, GSA, and other inter-governmental and inter-agency purchasing agreements provided that such purchases are most economical and efficient. HANO may only procure through approved GSA schedules and other inter-governmental and inter-agency purchasing agreements.

HANO's procurement files must contain a reference to the State or GSA contract number.

## **Section 6 - Vendor Management**

### **6.1 Vendor Registration**

Businesses interested in doing business with the Housing Authority of New Orleans can register on-line through HANO's website. When businesses register online with HANO, they will automatically receive an email notice anytime the agency issues a formal solicitation for a good or service that matches the commodity codes selected during the registration process. Vendors will not be required to register in order to participate in procurement opportunities. However, before award of a purchase order



or contact is made, a successful offeror will be required to complete the vendor registration process.

## **6.2 Vendor Set-Up**

Accounts Payables Vendor set-up shall be managed by the Department of Contracts and Compliance with support from HANO's Requesting Departments. The Department of Contracts and Compliance will be responsible for ensuring new vendors complete HANO's registration process. All completed Accounts Payables Vendor registration forms will be reviewed and approved by the Director of Contracts and Compliance or HANO's CEO or his/her designee prior to the creation of vendor records within HANO's Vendor Database.

Vendor validation and set-up within the ERP system should be managed outside of HANO's Accounts Payable processes and under no circumstances should a HANO employee with access to authorize/issue payables also be authorized to create, modify, or delete vendors within the Vendor Database. Employees with authorization to authorize/issue payables should have read only privileges within the Vendor Database.

In the event that a vendor set-up request is deemed urgent (i.e. all vendor information cannot be obtained timely for the procurement) the Vendor's W9 form should be obtained at a minimum prior to the vendor being set-up within the Vendor Database. In such instances, the Vendor will still be required to provide vendor registration information.

## **6.3 Vendor Types**

The Vendor Database should be maintained within the ERP system and should include all vendors paid by HANO. The Department of Contracts and Compliance will be responsible for set-up and approval of Accounts Payable Vendors only.

## **6.4 On-going Vendor Maintenance**

At a minimum, HANO should review its Vendor Database on an annual basis to ensure only current vendors with open POs, contracts, and/or payables made within the twenty-four months since the previous review are active. Vendors which have not been utilized since HANO's last Vendor Database review should be made inactive in the Database and future procurements with such Vendors would require the Vendor to re-register with HANO (see *Section 6.2 - Vendor Set-Up*).

HANO's Department of Contracts and Compliance, in conjunction with the Department of Finance, is responsible for the annual review and clean-up of HANO's Vendor Database. Any proposed inactivation of a vendor in the Database must be approved by the Director of Contracts and Compliance.

## **6.5 Updates to Vendor Database**

As the Vendor Registration Form is updated or modified (i.e. new required fields are added, etc), Vendors already existing in HANO's Vendor Database with open POs, contracts, and/or payables made within the twenty-four months since the previous review should be reviewed to ensure the new Vendor records are complete.



If a Vendor record is found to be incomplete, HANO must contact the Vendor and request the additional information immediately. Each Vendor has 30 days to respond via fax or email with the updated information.

## **Section 7 - Contracts**

### **7.1 Eligibility to Contract with HANO**

#### **7.1.1 Debarment Status Review**

The Department of Contracts and Compliance shall ensure, prior to award of a contract that the proposed business has not been debarred, or otherwise declared ineligible for award, by an applicable regulatory agency. The following non-exclusive source shall be reviewed when required:

- a) U.S. General Services Administration's "List of Parties Excluded From Federal Procurement and Non-procurement Programs"
- b) U.S. Department of Housing and Urban Development's "Limited Denial of Participation" List

#### **7.1.2 Determination of Contract Responsibility**

The Department of Contracts and Compliance shall perform due diligence verifications prior to award of any contract or purchase order exceeding the small purchase threshold, to document contractor responsibility and ensure that awards are made only to contractors possessing the ability to perform successfully under the terms and conditions of a proposed contract. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

### **7.2 Contracting with Disadvantaged, Women, and Section 3 Business Enterprises**

#### **1. Diversity in Contracting Encouraged**

Consistent with the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u) and with the Housing Authority of New Orleans' (HANO) Board Resolution Number 93-05, HANO hereby reaffirms its commitment of ensuring that all contractors and any tier subcontractors that are awarded a contract in excess of \$100,000.00 by HANO for work generated through the expenditure of HUD funding shall take all necessary and reasonable steps to provide meaningful, full-time, permanent employment and training to Section 3 residents. As such, HANO requires such contractors and subcontractors to report all job openings to HANO. This information will be entered into a shared job database and will be used to connect low-income residents in need of employment with contractors seeking to hire Section 3 employees, aiding them in fulfilling HANO's Section 3 employment hiring goals.

It is further reaffirmed that all contractors and any tier subcontractors that are awarded a contract in excess of \$100,000.00 by HANO for work generated through the expenditure of HUD funding shall take all necessary and reasonable steps to provide business opportunities to Disadvantaged Business Enterprises (DBEs), Women Business Enterprises (WBEs) and Section 3 business concerns.



## **2. Participation Goals**

HANO has the following participation goals for employment and training of residents and contracting with disadvantaged, woman, and Section 3 owned certified businesses:

- a) Disadvantaged-owned Businesses: 20%
- b) Women-owned Businesses: 5%
- c) Section 3-owned Businesses: 10%
- d) Section 3 New Hires and Trainees: 30%

## **7.3 Ensuring Reasonable Cost**

### **7.3.1 Purpose and Definitions**

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

#### Definitions:

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

Price Analysis - A written review and evaluation of competitive prices received by HANO to determine whether the proposed price of a Contractor is reasonable when compared with prices provided by others in the market. A Price Analysis should be performed for all small procurements under \$100,000, when price is the only selection criterion used for selecting a vendor.

Cost Analysis - A written review and evaluation of whether the proposed cost of a contract, Purchase Order, or contract modification, not based on competitive prices, is reasonable. A Cost Analysis is required whenever price is not used as the only selection criterion for selecting a vendor for contract award.

### **7.3.2 Thresholds for Application of Reasonable Cost Assurance**

#### **1. Non-Federally Funded Contracts Threshold**

The requirements for written Independent Cost Estimates, Cost Analysis, or Price Analysis on non-federally funded contracts shall only apply if the estimated or actual dollar amount of the contract or contract modification equals or exceeds \$100,000. HANO staff is nevertheless expected to exercise prudent and conservative judgment in evaluating the reasonableness of a proposed expenditure of less than \$100,000.

#### **2. Federally Funded Contracts Threshold**

All purchases over \$2,000 shall require written Independent Cost Estimates, Cost Analysis, or Price Analysis on federally funded contracts. However, HANO for all purchases less than \$2,000, staff are nevertheless expected to



exercise prudent and conservative judgment in evaluating the reasonableness of a proposed expenditure. Such evaluation may include obtaining a breakdown of the contractor's or consultant's proposed costs.

### **3. Direct Payments**

Transactions defined on the Direct Payments list in Section 5.5 - Non-Standard Procurement, of the Policy and Procedures, based on the nature of the transactions, are exempt from the requirements of this section for conducting Independent Cost Estimates, Cost Analysis, or Price Analysis.

## **7.4 Use of Criminal Background Checks in Employment Screening**

### **7.4.1 Statement of Policy**

Consistent with the Equal Employment Opportunity Commission's Enforcement Guidance on the Consideration of Arrest and Conviction Records in Employment Decisions under Title VII of the Civil Rights Act of 1964, the Fair Credit Reporting Act (FCRA), and HANO Board Resolution Number 2013-06, HANO reaffirms its commitment to offering employment opportunities on HANO-funded projects to qualified applicants with criminal convictions.

When contractors hire employees to fulfill contractual obligations to HANO and to work at HANO job sites or on HANO premises, they must adhere to HANO's Criminal Background Policy Statement. In the hiring of those employees, contractors may not apply hiring standards that are more exclusionary than those outlined in the Policy Statement.

No applicant for employment will be automatically barred from employment on a HANO-funded project at a HANO job site or on HANO premises because of his or her criminal background. Instead, any criminal conviction must be evaluated in its full context, including a consideration of the nature and gravity of the conviction, the amount of time that has elapsed since the conviction, and the nature of the job sought, among other factors, unless Louisiana or federal law specifically prohibits hiring a person with that particular conviction for that particular kind of work. Arrests that did not lead to a conviction must not be considered unless the case is still pending.

### **7.4.2 Best Practices**

In order to comply with the Policy, HANO recommends that contractors subject to the Policy adopt the following Best Practices:

1. Develop a tailored written policy and procedure for screening applicants for criminal conduct. This policy should not exclude applicants based on a criminal record alone, but should consider:
  - The relevance of the conviction(s) to the position sought;
  - The nature of the work to be performed;
  - The time since the conviction(s);
  - The age of the applicant at the time of the offense(s);
  - The seriousness and specific circumstances of the offense(s);
  - The number of convictions;
  - Evidence that the applicant performed the same type of work, post-conviction, with no known incidents of criminal conduct; and
  - Any relevant evidence submitted by the applicant regarding his or her conduct post-conviction.



2. Remove questions about criminal histories from your job applications and do not inquire into an applicant's criminal history until you have determined that he or she is a finalist for the position.
3. Run criminal background checks only from FCRA-compliant credit reporting agencies.
4. When there is information in the criminal record that is of concern, conduct an individualized assessment of the applicant, using HANO's "Contractor Guidelines for Evaluating Job Applicants with Criminal Convictions" and "Applicant Criminal History Evaluation Form."
5. If you are considering not hiring a person due to a criminal conviction identified in his or her criminal record, then FCRA requires that you provide the applicant with an in-person opportunity to explain or dispute the conviction(s) before you make a hiring decision (a "re-interview"). Be sure to provide the applicant with all legally-required notices under FCRA.
6. FCRA prohibits you from telling others within or outside the organization about applicants' criminal histories, except on a need-to-know basis. For all applicants, including those you decline to hire, retain a copy of the criminal record, the completed "Applicant Criminal History Evaluation Form," and any other confidential applicant information in a secure place.

## **Section 8 - Procurement Processes**

### **8.1 Purchase Requests**

It is the policy of the Department of Contracts and Compliance not to initiate any unilateral action to procure goods or services without a purchase request approved and entered by the Department Director or authorized designee into HANO's ERP system.

Per Section 1.4 - Responsibilities, it is the responsibility of the Requesting Department's Director to certify in writing to the Director of Contracts and Compliance the names and titles of all officers or employees who will be exclusively authorized to approve requests for the respective department, office, or board. All purchase requests will be void unless executed by those certified officers or employees and approved by the Director of the User Department.

### **8.2 Purchase Orders & Contract Development Processes**

#### **8.2.1 Purchase Orders**

It is the responsibility of the Department of Contracts and Compliance to author purchase orders on behalf of all HANO departments. At the time of approval, the approver, with appropriate expenditure authority, must also confirm funding is available in the Requesting Department(s) budgets to support the transaction. Invalid PO's will be denied in the system.

#### **8.2.2 Contract Development**



Only HANO's Contracting Officer can execute contracts on behalf of the organization. Contract development and execution activities are done in conjunction with HANO's Director of Contracts and Compliance and General Counsel.

HANO's contracting authority rest solely with its CEO. All contracts must be approved by the CEO, and all contracts over \$100,000 must be approved by HANO's Board of Commissioners.

### **8.3 Receive Goods and Services**

This policy defines the manner in which goods and services are received by HANO to assure that the quality, amount, and price of the goods and services received are correct, and that payment is made only for goods and services that are actually received. Each HANO Department should have an authorized Receiver who is authorized to receive goods and/or services on behalf of HANO. The Receiver is responsible for assuring that such goods and services are received in the manner and quantity ordered. For all purchases, the Receiver must notify Accounts Payable of receipt by acknowledging receipt in the ERP system. The Department Director is responsible for assuring that such receiving verification and notification occurs within his/her department through monitoring within the ERP system.

HANO's policy is to verify receipt of all goods and services purchased. In addition, Receivers must provide supporting documentation to Accounts Payable in order to release payment for standard purchase orders or releases against contract orders for goods and services.

#### **8.3.1 Receipt of Goods**

Goods should be shipped to and received by the Receiver and/or an approved secondary receiving station, were applicable. Goods can be picked up by the Receiver directly from the vendor with the direct knowledge of the Department Director. Acknowledgment of receipt within HANO's ERP system is still required. A copy of the receiving slip must be attached to the approved, signed invoice and returned to the Finance Department for inclusion in the Accounts Payable file.

#### **8.3.2 Receipt of Services**

The Receiver should be the receiver of services. The Contract Manager should act as the Receiver when they have been assigned to oversee the delivery of services per the terms and conditions agreed upon with the Vendor. Notification of services received should be requested from the vendor when a receiving slip is not available or practical. The notification of services (or receipt) must be attached to the approved, signed invoice and returned to the Finance Department for inclusion in the Accounts Payable file.

#### **8.3.3 Receipt Acknowledgement**

HANO will not pay invoices until the goods and/or services have been confirmed as received within its ERP system. Receipt acknowledgement is the responsibility of the Receiver and the Department Director.

## **Section 9 - Contracting Processes**



## 9.1 Types of Contracts

### 1. Blanket Purchase Order

Blanket Purchase Orders are used in the procurement of materials, supplies, or services which are needed by HANO on a continuing basis. The Blanket Purchase Order is a contract for certain goods or services over a defined period of time, usually one or two years, at a pre-determined price. Funds are encumbered when the Managing Department places orders against the Blanket Purchase Order.

### 2. Purchase Order (PO)

An offer to purchase and a legal commitment to supply HANO with goods and services. A standard PO is generally used for a one-time purchase of known goods and/or services. The PO must include the following essential pieces of information: vendor name, address, purchase order identification number (automatically assigned by HANO's ERP system); description of goods and/or services ordered; Requestor name and location (automatically noted with the ERP system); delivery instructions; billing instructions; the unit and total cost of the goods and/or services ordered; the terms and conditions of the order; and delivery date.

### 3. Contracts

A contract is an agreement between HANO and one or more persons (individuals, businesses, organizations or government agencies) to do a particular thing in exchange for something of value. The terms of the contract (the who, what, where, when, and how of the agreement) define the binding promises of each party to the contract. A contract may exist for both goods and services procurements. HANO requires a contract for all procurements exceeding \$30,000 and for all construction related procurements exceeding \$2,000.

## 9.2 Mandatory Requirements

### 9.2.1 Contract Requirements

The following mandatory contracting requirements exist for HANO:

#### 1. Construction Contracts

For all construction contracts greater than \$2,000 but not more than \$100,000, HANO must incorporate the clauses contained in HUD-5370-EZ, General Conditions for Small Construction/Development Contracts, and applicable Davis-Bacon wage decision. HANO may choose to use form HUD-5370 in lieu of the HUD-5370-EZ if the former is more appropriate given the nature of the work.

For all construction contracts greater than \$100,000, HANO must incorporate the clauses contained in form HUD-5370, General Conditions of the Contract for Construction and the applicable Davis-Bacon wage decision.

#### 2. Non-Construction Contracts

For all non-construction contracts greater than \$100,000, HANO must incorporate the clauses contained in Section I of form HUD-5370-C, General Conditions of Non-Construction Contracts.



### **3. Maintenance Contracts**

For all maintenance contracts greater than \$2,000 but not more than \$100,000, HANO must incorporate the clauses contained in HUD-5370-C, General Conditions for Non-Construction Contracts, and the applicable HUD wage decision.

For all maintenance contracts greater than \$100,000 (including non-routine maintenance work), HANO must incorporate the clauses contained in Sections I and II of form HUD-5370-C, General Conditions for Non-Construction Contracts.

HANO must provide hard-copies of any referenced clauses, forms, and/or wage decisions upon request.

HANO's contracts must include clauses required by all contractors of all required records pertaining to the contract. All documentation and records must be retained for a period of at least three years after final payment and all matters pertaining to the contract are closed. If any claims or litigation are involved, the records shall be retained until all issues are satisfactorily resolved or three years has passed, whichever is the latter.

#### **9.2.2 Required Contract Clauses**

Contracts awarded shall include, at a minimum, all clauses, terms, and conditions required by 24 CFR 85.36(i).

HANO's General Counsel must approve all draft contracts before transmittal and execution by the Vendor and HANO's Contracting Officer. Any Vendor feedback on the terms and conditions should be vetted through the General Counsel before a contract is updated or executed.

#### **9.2.3 Federal Labor Standards and Wage Rates**

The following federal labor standards and wage rates apply:

##### **1. Construction**

All laborers and mechanics (including apprentices and other workers trained by HANO, Resident Management Corporations (RMC's), or other contractors under HUD's "Step-Up" or similarly approved training initiatives) involved in construction contracts in excess of \$2,000 must be paid wages in accordance with Federal labor standards issued pursuant to the Davis-Bacon Act by the Department of Labor (DOL). In addition, the overtime requirements of the Contract Work Hours and Safety Standards Act are applicable to construction contracts in excess of \$100,000. For record keeping, HANO shall retain all payroll reports and statements of compliance for three years from the date of contract completion and acceptance by HANO, or from the date of resolution of any standards issues outstanding at contract completion.

##### **2. Maintenance**

All maintenance laborers and mechanics employed under contracts in excess of \$2,000 for the operation of public housing must be paid no less than prevailing wages determined or adopted by HUD. In addition, the



overtime requirements of the Contract Work Hours and Safety Standards Act are applicable to maintenance contracts in excess of \$100,000. For record keeping, HANO shall retain all compliance monitoring records, including employee interview records, for three years from the date of contract completion and acceptance by HANO, or from the date of resolution of any labor standards issues outstanding at contract completion.

### **9.3 Contract Negotiations**

HANO's General Counsel, as well as its Contracting Officer, may negotiate price and other terms of purchases when appropriate. HANO may not alter or negotiate changes to mandatory contract clauses. All contract negotiations should be vetted through HANO's General Counsel by the Director of Contracts and Compliance, and all communications to and from the Vendor during contract negotiations should be reflected in the procurement file.

### **9.4 Contract Modifications**

If it becomes necessary to modify an existing contract or purchase order to reflect changes in the required effort, period of performance, or price, HANO shall document and issue all changes in writing as either:

- a) Unilateral modification is a modification that is signed only by the Contracting Officer, such as a change in pursuant to the Changes clause on form HUD-5370, or administrative modification, such as a change in the address of the payment office.
- b) Bilateral modification such as a supplemental agreement in which both parties mutually agree on contract changes that is signed by both the Contracting Officer and the contractor.

All amendments and modifications are processed by the Department of Contracts and Compliance.

#### **9.4.1 Construction Contract Modifications**

These changes may consist of additions, deletions or other revisions to the project, at the discretion of HANO, adjusted as appropriate. HANO shall not execute contract modifications that are not within the scope of the contract.

### **9.5 Contract Administration**

The Contract administration phase of the contracting process begins immediately following the completion of contract award. Contract administration refers to the oversight of activities related to the performance of the contract by the Contractor or Vendor and is the responsibility of the department using the contract in cooperation with the Department of Contracts and Compliance.

Verifying and documenting Contractor or Vendor performance to ensure contract deliverables are of high quality and value to HANO and in accordance with the contract terms are a crucial aspect of the contract administration process.

### **9.6 Contract Monitor**



HANO's Contracting Officer will assign an employee with the department for which the contract is utilized to serve as the Contract Monitor ("CM") for the project through the Contracting Officer Designee Letter. The Contracting Officer Designee Letter is signed at the time of contract execution. The Department CM serves as the representative of the Department and provides collaboration, coordination, cooperation, and communication with the Department of Contracts and Compliance and its contracting processes.

During the contract administration phase, the Department CM is the main point of contact between HANO and the Contractor or Vendor.

The primary purpose of contract monitoring is to ensure the Contractor or Vendor is in compliance with contract terms and conditions. Effective monitoring can result in early identification of issues to improve contract performance. All monitoring efforts should be documented as to the issues, observations, and final outcome(s). A complete record of all monitoring activities should be maintained.

### **9.7 Vendor Performance Evaluation**

HANO may develop and implement a performance evaluation system to evaluate the performance of contractors, consultants, and/or vendors doing business with HANO. Ratings on previous contracts from such a performance evaluation program may be used in evaluating when a business is responsible and capable of performing proposed work, and may also provide a mechanism for debarring businesses from contracting with HANO.

## **Section 10 - Disputes, Protests, and Appeals**

HANO shall attempt to resolve all procurement-related (solicitation, award, and contractual) disputes, protests, and appeals internally without outside review by either HUD or the judicial system.

### **10.1 Filing Deadlines**

The following deadlines for filing protests with HANO shall apply:

#### **1. Solicitations**

Any protest against a solicitation issued by HANO must be received by the Director of Contracts and Compliance at least 10 days before the bid or proposal submittal deadline, or it will not be considered.

#### **2. Awards**

a) Any protest against the award of a contract or purchase order based on a formal method of procurement, where the solicitation is advertised, must be received by the Director of Contracts and Compliance within three business days after notice of contract award, or the protest will not be considered.

#### **3. Decisions**

a) HANO shall issue a written decision to any properly filed protest within 15 business days of receipt.

### **10.2 Form and Manner of Filing Protests**



All protests must be in writing, signed, and explain the basis of the protest, or it will not be considered. In addition, all protests shall be served in person, or by registered mail, return receipt requested, and shall be addressed to HANO's Director of Contracts and Compliance.

### **10.3 Form and Manner of Filing Protests Decision Appeals**

Appeals to protest decisions must be in writing, signed, and explain the basis of the protest, or the appeal will not be considered. All appeals should be served in person, or by registered mail, return receipt requested and shall be addressed to HANO's Contracting Officer.

### **10.4 Reservation of Rights**

A filing, review, or decision of a protest pursuant to this procedure shall not enjoin or prevent HANO from the exercise of any of its rights or remedies, nor act as a waiver of such rights and remedies. This reservation of rights includes, but is not limited to HANO's exercise of rights in contract, law and equity to give notice to a contractor to proceed with work, enter into or cancel a contract, add, delete, or modify contract specifications, withdraw or reissue specifications, or charge, fine or assess liquidated or contract damages, even in the event that such an action may be the subject of a procurement protest.

### **10.5 Exhaustion of Remedies**

A person or business entity who has filed a timely notice of procurement protest, received a decision, filed a timely notice of appeal, and received a decision regarding said appeal, shall be deemed to have exhausted administrative remedies with HANO, as required by 24 CFR(b)(12).

### **10.6 Contractual Claims and Disputes**

HANO is responsible for the handling and resolution of all contractual claims and disputes according to the requirements and procedures outlined in each contract. Consistent with HUD regulations, violations of law will be referred (by HANO) to the local, State, or Federal authority having proper jurisdiction.

Contract claims may occur after the contract has been executed and may be pursued by HANO or the contractor. Disputes may arise regarding breach of contract, mistake, misrepresentation, other cause for contract modifications, or other disputes as described in the contract documents, such as unforeseen conditions. Forms HUD-5370, 5370-C, 5370-EZ, describe types of disputes and how claims will be processed by HANO.

In the event a claim against HANO is filed, HANO will make every effort to resolve the claim(s) informally and expeditiously to avoid time losses or expensive delays. However, if the dispute cannot be resolved by mutual agreement, the following steps must be taken:

- a) The contractor must submit the claim to HANO's Director of Contracts and Compliance in writing within the timeframe specified in the contract documents.
- b) The claim must identify the nature and scope of the claim, including extra costs or time sought by the contractor.