

MINUTES OF A REGULAR MEETING OF THE  
COMMISSIONERS OF THE

CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY

The Commissioners of the City of Roanoke Redevelopment and Housing Authority met for a regular session on Monday, November 16, 2015, in the offices of the City of Roanoke Redevelopment and Housing Authority, 2624 Salem Turnpike, NW, in the City of Roanoke, Virginia.

I. CALL TO ORDER – ROLL CALL

Chair Butler called the meeting to order at 3:00 p.m. and declared that a quorum was present.

PRESENT: Commissioners Anguiano, Butler, Garner, Karnes, Smith  
Commissioner Witten arrived at 3:04 p.m.

ABSENT: Commissioner Burruss

OFFICER PRESENT: Mrs. Glenda Edwards Goh, Secretary-Treasurer

ALSO PRESENT: Jackie Austin, VP of Finance/CFO; Kathy Beveridge, Compliance and QA Manager; David Bustamante, VP of Housing; Nick Conte, Legal Counsel; Betsy Crow, HR Director; Carolyn Epperly, Executive Assistant; Jessica Farmer, HCV Manager; Crystal Hall, Community Support Services Director; Joel Shank, VP of Operations; Yvonne Thomas, Jobs-Plus Program Manager

Chair Butler welcomed everyone to today's meeting.

II. REPORTS

1. Financial Report

Chair Butler stated that Ms. Austin provided a Financial Narrative along with Financial Report and asked if there were any comments or questions. There were none.

## 2. Executive Director's Report

Chair Butler asked for the Executive Director's report.

Mrs. Goh stated that her written report was provided with meeting materials. She reminded Commissioners that they are invited to attend the annual staff recognition event on December 18, 2015 at 12:15 p.m.

Mrs. Goh thanked Mrs. Epperly for assisting during the recruitment for an Executive Assistant. A new assistant has been hired, and Mrs. Epperly will likely re-enter retirement before the December Board meeting.

The City of Roanoke Neighborhood Services has awarded a Neighborhood Partnership award for Outstanding Volunteer Leadership to Commissioner Duane Smith. Jamice Rudd, President of the Bluestone Resident Council and officer on the Joint Resident Council, was also named an Outstanding All-star. All congratulated Commissioner Smith.

Mrs. Goh stated that Mrs. Epperly had distributed to the Board HUD's Press Release as well as the HUD Proposed Rule relating to Smoke Free Public Housing. She anticipates that this announcement from HUD will likely raise some concerns among residents who smoke regarding whether their housing will be jeopardized. Commissioners and staff should be prepared to respond to those with questions that this is a proposed rule published for a 60-day public comment period. If the rule becomes final, agencies will be expected to have smoke free policies in place within 18

months of the date of the final rule. RRHA staff will work with residents and with the Resident Councils in developing the policies. At this juncture, there is time to develop policies with full engagement of residents.

Chair Butler stated that he assumes the enforcement will be difficult and that assessment of the policy will become a part of the overall audit.

Mrs. Goh stated that HUD will evaluate whether policies are in compliance with the final rule. At this point it is difficult to envision how enforcement of the rule will be implemented within public housing living units. The ACLU in Louisiana has announced that they view this as a civil rights issue, because it will jeopardize housing for something that is otherwise legal behavior in leased housing.

Commissioner Anguiano asked if there is any indication how or in what manner they will enforce this new rule. He asked whether it might be treated like a three strike rule.

Mrs. Goh stated that her understanding of HUD's position is that they are not telling anyone that they cannot smoke, but are saying that no one can smoke inside or within 25 feet of public housing property. It appears that the goal is to get people to comply without eviction. Some resource materials for implementation of smoke-free housing suggest that a notice be sent initially, followed by a notice and fine, and ultimately eviction.

Commissioner Anguiano asked if resources are provided for smoking cessation programs.

Mrs. Goh stated that this is not a part of the rule. Housing authorities may incorporate such programs into the policies. There is nothing in the rule that would

prohibit partnering with organizations that offer such programs.

Commissioner Garner asked if applicants would be asked if they are smokers.

Mrs. Goh stated that, according to information provided by HUD, all persons would be encouraged to apply for housing and would not be asked if they are smokers.

Mrs. Goh stated that, several years ago a resident of Morningside Manor asked RRHA to consider making that property smoke-free. A resident survey was completed, and resulted in approximately 50% on each side of the question. RRHA worked with the Resident Council and made some changes at that property to better accommodate the non-smokers.

Commissioner Witten expressed his surprise that such a rule has not come up before. He noticed that under the Applicability section, it mentions that the rule would not apply to dwelling units in mixed-finance housing. He asked whether they are talking about projects financed by non-HUD sources.

Mrs. Goh stated that in mixed –finance housing, funding for the development or construction generally comes from sources other than HUD. A Limited Partnership is formed and owns the property. Some units may be public housing, but they are not owned by the housing authority, making it difficult for HUD to impose rules on the public housing units that would differ from policies for other non-public housing units in the development.

Commissioner Garner asked for clarification regarding RRHA initiating Project-Based Vouchers, which was covered at a previous meeting.

Mrs. Goh stated that Project-Based Vouchers differ from Tenant-Based Voucher in that Project-Based Voucher assistance is tied to a particular housing unit. Landlords

and the housing authority enter contracts under which the landlord agrees to house eligible individuals and families, and the housing authority agrees to provide financial assistance toward the rent. RRHA's Project-Based Voucher initiative is part of the effort is to make units available outside areas of poverty concentration in the City.

Commissioner Garner asked if the Project-Based Vouchers are additional Vouchers.

Mrs. Goh stated that the Project-Based Vouchers are not additional vouchers. Housing authorities are allowed to project-base up to 20% of their voucher allocation. Because HUD increased funding this year, there are funds available for RRHA to set-aside some funds for allocation to Project-Based Vouchers. RRHA is proposing to set-aside 75 vouchers, which would equal approximately 4% of RRHA's voucher allocation, with funding to come from HCV reserves. HUD was notified of RRHA's intention and agreed that it was within the 20% allowed.

Chair Butler asked if there were any other comments or questions. There were none.

### 3. Staff Reports

Chair Butler asked if there were any staff reports.

Mrs. Goh stated she had asked Mr. Bustamante to provide presentation regarding how HUD's Public Housing scoring system works. Mr. Bustamante will report on the Physical Indicator and the Management Indicator, which are the areas of his responsibility. She also stated that in future months Mr. Shank and Mrs. Austin will provide presentations regarding the Financial Indicator and the Capital Fund Indicator.

Mr. Bustamante presented a Power Point presentation with information

regarding the Public Housing Assessment System (PHAS), which is a grading system established by HUD to monitor Public Housing Authorities. Each category has a stated point value and acts as a report card. The Physical category or REAC score is 40 points; Management is 25 points; Financial is 25 points; and Capital Improvements is assigned 10 points, which equals a total of 100 points for all grading areas. A score of 90 or above results in High Performer designation. A score of 60 to 89 is considered Standard Performer. A score of less than 60 is assigned a Troubled designation.

Last year RRHA's score was 93, which resulted in High Performer designation.

Mr. Bustamante stated that Physical Indicator scoring affects frequency of inspection required for properties. If the inspection score is 90 or above, the property inspections will be every three years. If the score is 80 to 89, inspections will be required every other year. If the score is less than 80, inspection is required every year.

Mr. Bustamante described the forms that must be submitted to HUD and the scoring reports that are provided. HUD allows for scores to be appealed.

Mr. Bustamante stated that, when properties are to be inspected, HUD sends out inspection solicitations to contractors who are certified to conduct the inspections. The solicitation information lists the number of units and how much HUD will pay for the inspections. There are over 100 certified REAC inspection companies, and the inspector can vary year to year. There are six RRHA properties that will be undergoing REAC inspections next year. RRHA is awaiting results of appeals of scores for the Villages at Lincoln and Melrose Towers recent inspections. If the appeals are not successful, those properties will also require inspection next year.

Commissioner Witten asked if there was any concern regarding inspectors scoring a property lower so that more inspections would be available in the pool.

Mr. Bustamante stated that this method of contracting for inspections does appear to create that possibility, though that would not be the intent.

Mr. Bustamante stated that the REAC Physical Indicator is worth 40 points in this scoring system. He noted that, based on a comparison of Capital Fund allocations with the Physical Needs Assessment, RRHA budgets are short \$1,169,000 annually in meeting the physical needs requirements of the public housing properties. Mr. Bustamante stressed that this is the category that carries the highest point value, yet funding for capital improvements is not enough to meet the basic needs.

Mrs. Goh stated that budgets have been substantially reduced over the past number of years, yet there has not been any change in the physical standards requirements. The National Association of Housing Redevelopment Officials (NAHRO) has continued to stress that it is unreasonable to carry the same standards for the physical condition of property when there is insufficient funding to meet the basic physical needs.

Mr. Conte stated that, based on the numbers provided, the deficit amounts to about 56%.

Mr. Bustamante stated that the Financial Indicator is handled by Mrs. Austin. This Indicator is assigned 25 points. Last year RRHA received 25 out of 25 points.

Chair Butler asked whether this is based on current operating information or the audit of the previous fiscal year.

Mrs. Goh stated that they look at the previous fiscal year's audit report. Mrs.

Austin will also provide a presentation in upcoming months regarding the Financial Indicator.

Commissioner Garner expressed interest as to how they quantitatively determine Accounts Payable and how that impacts the scoring.

Mrs. Austin stated that RRHA does not have a high ratio of outstanding Accounts Payable.

Mr. Bustamante stated that the next indicator is the Management Indicator and it is also 25 points. Mr. Bustamante stated that last year the Management score was 23 and the loss of points was due to the tenant Accounts Receivable. If Accounts Receivable is less than 1.5%, the housing authority receives 5 points, which is very difficult to achieve. It is very difficult to get the tenants accounts to zero.

Commissioner Garner asked if the problem was that the rents were not being paid timely.

Mrs. Goh stated that one problem is when people don't pay on time. RRHA can enter into a repayment agreement with delinquent tenants, which may also impact the Accounts Receivable.

Mr. Conte asked when Accounts Receivables are booked.

Mrs. Goh stated that they are booked right away.

Mr. Bustamante said that the last area of scoring is the Capital Fund Program. This indicator is based on the timely obligation of those funds. RRHA has no problem obligating the funds.

Mr. Bustamante stated that Mr. Shank is responsible for this category.

Mr. Bustamante concluded his presentation and asked if there were questions.

There were none. Mr. Bustamante stated that anyone who would like a copy of the presentation should let him know.

4. Committee Reports

Chair Butler asked if there were any committee reports.

Vice-Chair Karnes stated that the Personnel Committee met today. The Committee reviewed several policies that will be coming before the Board at a later date.

5. Commissioner Comments

Chair Butler asked if there were any Commissioner comments. There were none.

6. Residents or other community members to address the Board.

Chair Butler asked if there were any residents or other community members who would like to address the Board. There were none.

III. CONSENT AGENDA

C-1 Minutes of the Regular Meeting of the Board of Commissioners held

Monday, October 26, 2015.

RECOMMENDED ACTION: Dispense with the reading thereof and approve as recorded.

C-2 Monthly Operations Report for the month of October 2015.

RECOMMENDED ACTION: File as submitted

Commissioner Smith introduced a motion to approve the Consent Agenda. The motion was seconded by Commissioner Garner and upon roll call the following vote was recorded:

AYES: Commissioners Anguiano, Butler, Garner, Karnes, Smith, Witten

NAYS: None

Chair Butler thereupon declared said motion carried as introduced.

IV. **REGULAR AGENDA**

1. Resolution No. 3862

Ms. Crow requested approval of a revised Personnel Policy number 820 regarding Exit Interviews. The change in this policy reflects an in-person exit interview.

Chair Butler asked if there were any other comments or questions. There were none.

Vice-Chair Karnes introduced Resolution No. 3862 and moved its adoption as introduced:

**RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY APPROVING A REVISED PERSONNEL POLICY REGARDING EXIT INTERVIEWS**

WHEREAS, the City of Roanoke Redevelopment & Housing Authority (RRHA) has undertaken a review of its personnel policies to ensure they are relevant, meet the needs of the agency and are legally compliant; and

WHEREAS, RRHA has reviewed and is proposing revisions to Personnel Policy No. 820 regarding Exit Interviews, dated December 20, 1996, and previously revised on June 1, 2014, to better reflect current requirements and practices; and

WHEREAS, the Personnel Committee of the RRHA Board of Commissioners supports and recommends approval of this revised policy.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the City of Roanoke Redevelopment and Housing Authority that the attached revised Personnel Policy No. 820, Exit Interviews, is approved effective December 1, 2015.

The motion was seconded by Commissioner Smith and upon roll call the

following vote was recorded:

AYES: Commissioners Anguiano, Butler, Garner, Karnes, Smith, Witten

NAYS: None

Chair Butler thereupon declared said motion carried and Resolution No. 3862 adopted as introduced.

2. Resolution No. 3863

Mr. Shank requested approval of a Resolution revising the Procurement Policy. In December 2013, the Office of Management and Budget (OMB) published final guidance on Uniform Administrative Requirements for Federal awards, which impacts RRHA. On February 26, 2015, HUD published a notice providing guidance regarding implementation of 2 CFR part 200. Section 110(a) of 2 CFR part 200 allows non-Federal entities to choose to use the previous standards for an additional two fiscal years before adopting the procurement standards. If the agency chooses to use the previous standards, that must be stated in the current Procurement Policy. Mr. Shank stated that RRHA plans to adhere to its current procurement policy for the two fiscal years allowed while the impact of this change is evaluated.

Mrs. Goh stated that it is anticipated that HUD will issue a revised Procurement Handbook which will provide guidance for RRHA to make policy revisions.

Chair Butler asked if there were any other comments or questions. There were none.

Commissioner Smith introduced Resolution No. 3863 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND  
HOUSING AUTHORITY APPROVING A REVISED PROCUREMENT POLICY

WHEREAS, the Roanoke Redevelopment and Housing Authority (RRHA) receives its operating funds from the Department of Housing and Urban Development (HUD); and

WHEREAS, RRHA's Procurement Policy was approved by the Board of Commissioners on April 23, 2007, with subsequent revisions of the Policy approved on June 18, 2007, August 20, 2007, October 15, 2007, April 21, 2008, December 15, 2008, November 8, 2011, and August 27, 2012; and

WHEREAS, the Office of Management and Budget (OMB) published final guidance on Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 78 Federal Register 78590 on December 26, 2013; and

WHEREAS, OMB and the Federal awardmaking agencies published a joint interim final rule implementing the final guidance as requirements for recipients of Federal financial assistance on December 19, 2014 at 79 Federal Register 75871; and

WHEREAS, HUD published Notice SD-2015-01 on February 26, 2015 to identify and explain significant changes made in 2 CFR part 200, and provide guidance and links to additional resource materials for HUD and recipients of Federal financial assistance from HUD; and

WHEREAS, 2 CFR part 200 was made applicable to non-Federal entities (recipients of Federal financial assistance) effective December 26, 2014, but provides, in 2 CFR § 200.110(a), that non-Federal entities may continue to comply with the procurement standards in previous OMB guidance for two additional fiscal years after the effective date of 2 CFR part 200; and

WHEREAS, 2 CFR § 200.110(a) requires that, if a non-Federal entity chooses to use the previous standards for an additional two fiscal years before adopting the procurement standards in 2 CFR part 200, the non-Federal entity must document this decision in internal procurement policies; and

WHEREAS, staff have determined that it is in the best interest of RRHA to continue to use the previous procurement standards, reflected in RRHA's Procurement Policy, through September 30, 2017; and

WHEREAS, the proposed revision to the RRHA Procurement Policy meets the requirement in 2 CFR § 200.110(a) to document the decision to use the previous procurement standards for an additional two fiscal years; and

WHEREAS, the proposed revised Procurement Policy has been reviewed by RRHA's legal counsel and determined to be in compliance with legal requirements applicable to RRHA.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the City of Roanoke Redevelopment and Housing Authority that the attached revised RRHA Procurement Policy is approved.

The motion was seconded by Commissioner Garner and upon roll call the following vote was recorded:

AYES: Commissioners Anguiano, Butler, Garner, Karnes, Smith, Witten

NAYS: None

Chair Butler thereupon declared said motion carried and Resolution No. 3863 adopted as introduced.

V. **ADJOURNMENT**

There being no further business to come before the Board, Commissioner Garner moved that the meeting be adjourned.

The motion was seconded by Commissioner Witten and upon roll call the following vote was recorded:

AYES: Commissioners Anguiano, Butler, Garner, Karnes, Smith, Witten

NAYS: None

Chair Butler stated that he wanted to thank Mrs. Epperly on behalf of the Board for coming out of retirement and providing assistance in the Executive Office.

Chair Butler declared the meeting adjourned at 3:46 p.m.

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Gilbert Butler, Chair

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Mrs. Glenda Edwards Goh, Secretary-Treasurer

Policy No. 820

Date: December 20, 1996

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Revised 9/17/01

Revised 6/1/2014

[Revised 10/16/2015](#)

## EXIT INTERVIEWS

### I. PURPOSE

To identify workplace, organizational, or other factors that have contributed to an employee's decision to leave RRHA; to enable RRHA to identify trends requiring attention, or opportunities for improvement; to provide an opportunity to respond to employee issues; and allow RRHA to improve recruitment and retention strategies.

### II. SCOPE

This policy applies to all RRHA employees who voluntarily resign / retire in good standing.

### III. POLICY

~~RRHA will offer the opportunity for separating employees to provide information through exit interviews. will be given or mailed instructions on how to complete a confidential on-line exit interview survey.~~ Completion of the exit interviews survey is highly encouraged but not mandatory.

The Board of Commissioners has established this policy and delegates responsibility for establishing or modifying procedures for implementation of the policy to the Executive Director. Current procedures are detailed below.

### IV. PROCEDURE

- A. Managers will notify Human Resources as soon as possible after the separation decision has been made and communicated by the employee.
- B. Human Resources will contact the employee in person, by email, or US Mail and invite him/her to schedule an in-person exit interview with Human Resources. complete the on-line exit interview survey. Employees who are within the scope of this policy but cannot be scheduled for an in-person interview will receive an electronic version of the survey.
- C. The survey will ask a standard set of questions and give the employee the opportunity to express concerns and/or suggestions about his/her experience at RRHA.
- D. Employee participation is voluntary; however, they will be encouraged to give honest, candid, and constructive responses.

- E. The information collected through the exit interview process will be confidential. No specific information will be disseminated or discussed. Human Resources will analyze the information regularly to identify areas that may need to be addressed.
- F. Human Resources will distribute the compiled data to the executive management team on an annual basis, or more often if needed.

**PROCUREMENT POLICY**  
**ROANOKE REDEVELOPMENT & HOUSING AUTHORITY**

*Established for the Roanoke Redevelopment & Housing Authority by board action on April 23, 2007.*

*Revision Dates: June 18, 2007, August 20, 2007, October 15, 2007, April 21, 2008, December 15, 2008, November 8, 2011, ~~and August 27, 2012,~~ and November 16, 2015*

This Procurement Policy complies with the Annual Contributions Contract (ACC) between Roanoke Redevelopment & Housing Authority (RRHA) and the Department of Housing & Urban Development (HUD), Federal Regulations at 24 CFR 85.36, and applicable State and Local laws.

## **GENERAL PROVISIONS**

### **General**

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

### **Application**

This Procurement Policy applies to all procurement actions of the Authority, regardless of the source of funds; however, nothing in this Policy shall prevent RRHA from complying with the terms and conditions of any grant, contract, gift or bequest that is otherwise consistent with the law.

### **Definition**

The term "procurement," as used in this Policy, includes the procuring, purchasing, leasing, or renting of: (1) goods, supplies, equipment, and materials, (2) construction and maintenance; consultant services, (3) Architectural and Engineering (A/E) services, (4) Social Services, and (5) other services. Procurement, as used in this policy, does not include direct payments for the following items: utility bills, postage, licenses, permits, purchases from other government agencies where the government agency provides goods or services not available from the private sector, travel expenses, conferences, professional association fees, stipends, public transportation, incidental parking fees, publications, and advertisements for employment or solicitation notices.

### **Changes in Laws and Regulations**

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

Notwithstanding the provisions of the preceding paragraph, in accordance with 2 CFR § 200.110(a), RRHA chooses to use the procurement standards in previous United States Office of Management and Budget guidance through the end of the fiscal year ending September 30, 2017.

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

Most procurement information that is not proprietary is a matter of public record and shall be available to the public to the extent provided in the Virginia Freedom of Information Act.

## **ETHICS IN PUBLIC CONTRACTING**

### **General**

RRHA hereby establishes this code of conduct regarding procurement issues and actions and shall implement a system of sanctions for violations. This code of conduct, etc., is consistent with applicable Federal, State, or local law.

### **Conflicts of Interest**

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

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

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

No officer, employee, Board member, or agent shall ask for or accept gratuities, favors, or items of more than \$50 in value from any contractor, potential contractor, or party to any subcontract, and shall not knowingly use confidential information for actual or anticipated personal gain.

### **Prohibition Against Contingent Fees**

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

## **PROCUREMENT PLANNING**

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

## **PURCHASING METHODS**

### **Petty Cash Purchases**

Purchases under \$50 may be handled through the use of a petty cash account. Petty Cash Accounts may be established in an amount sufficient to cover small purchases made during a reasonable period, e.g., one month. For all Petty Cash Accounts, RRHA shall ensure that security is maintained and only authorized individuals have access to the account. These accounts should be reconciled and replenished periodically.

### **Small Purchase Procedures**

For any amounts above the Petty Cash ceiling but less than \$2,000, also known as Micro Purchases, only one quote is required. The signature of the contracting officer on the purchase order or contract signifies the contracting officer's determination that the price is reasonable, based on prior purchases of a similar nature or other sources of information.

For any amounts above the Micro Purchase ceiling but not exceeding \$30,000, RRHA may use small purchase procedures. No less than three offerors shall be solicited to submit price quotations, which may be obtained orally (either in person or by phone), by fax, in writing, or through e-procurement. Award shall be made to the qualified vendor that provides the best value to RRHA. If non-price factors are used, they shall be disclosed to all those solicited. The names, addresses, and/or telephone numbers of the offerors and persons contacted, and the date and amount of each quotation shall be recorded and maintained as a public record.

For small purchases in excess of \$30,000 but not exceeding \$100,000, RRHA may use small purchase procedures with one exception. Small purchase procedures must not be used for single or term contracts for professional services, if the contract exceeds \$60,000.

For small purchases in excess of \$30,000 but not exceeding \$100,000, no less than four offerors shall be solicited to submit written price quotations. Award shall be made to the qualified vendor that provides the best value to RRHA. If non-price factors are used, they shall be disclosed to all those solicited. The names, addresses, and/or telephone numbers of the offerors and persons contacted, and the date and amount of each quotation shall be recorded and maintained as a public record.

RRHA shall not break down requirements aggregating more than the small purchase threshold (or the Micro Purchase threshold) into several purchases that are less than the applicable threshold merely to: (1) permit use of the small purchase procedures or (2) avoid any requirements that applies to purchases that exceed the Micro Purchase threshold.

To the greatest extent feasible, and to promote competition, micro purchases should be distributed among qualified sources.

### **Sealed Bids**

Sealed bidding shall be used for all contracts that exceed the small purchase threshold and that are not competitive proposals or non-competitive proposals, as these terms are defined in this document. Under sealed bids, RRHA publicly solicits bids and awards a firm fixed-price contract (lump sum or unit price) to the responsible bidder whose bid, conforming with all the material terms and conditions of the IFB, is the lowest in price. Sealed bidding is the preferred method for procuring construction, supply, and non-complex service contracts that are expected to exceed \$100,000.

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

- B. Solicitation and Receipt of Bids.** An IFB is issued which includes the specifications and all contractual terms and conditions applicable to the procurement, and a statement that award will be made to the lowest responsible and responsive bidder whose bid meets the requirements of the solicitation. The IFB must state the time and place for both receiving the bids and the public bid opening. All bids received will be date and time-stamped and stored unopened in a secure place until the public bid opening. A bidder may withdraw the bid at any time prior to the bid opening.
- C. Bid Opening and Award.** Bids shall be opened publicly. All bids received shall be recorded on an abstract (tabulation) of bids, and then made available for public inspection. If equal low bids are received from responsible bidders, selection shall be made by drawing lots or other similar random method. The method for doing this shall be stated in the IFB. If only one responsive bid is received from a responsible bidder, award shall **not** be made unless the price can be determined to be reasonable, based on a cost or price analysis.
- D. Mistakes in Bids.** Correction or withdrawal of bids may be permitted, where appropriate, before bid opening by written, e-mail, or facsimile notice received in the office designated in the IFB prior to the time set for bid opening. After bid opening, withdrawals of bids may be permitted only as stated in the advertisement for bids, which normally will require a bidder to give written notice of his claim to withdraw his bid within two business days after the conclusion of the bid opening procedure, and only if the bidder can show by clear and convincing evidence that a mistake of a nonjudgmental character was made, the nature of the mistake, and the bid price actually intended. A low bidder alleging a nonjudgmental mistake may be permitted to withdraw its bid if the mistake is clearly evident on the face of the bid document but the intended bid is unclear or the bidder submits convincing evidence that a mistake was made. All decisions to allow correction or withdrawal of a bid shall be supported by a written determination signed by the Contracting Officer. After bid opening, changes in bid prices or other provisions of bids prejudicial to the interest of RRHA or fair competition shall not be permitted. RRHA shall notify a bidder within 5 business days of its decision regarding the bidder's request to withdraw its bid. Correction or withdrawal of bids after bid opening may also be allowed in cases where RRHA has reason to believe that a mistake may have been made in a bid.
- E. Tie Bids:** Tie bids, quotes or proposals are defined as instances of identical total pricing or scoring from responsive/responsible vendors that meet all requirements as set forth in the bid, quote or proposal documents. Instances of a tie will be resolved by a drawing. The drawing will be announced in advance giving all "tie" vendors an opportunity to attend. The drawing will be conducted in the presence of three (3) individuals who will attest to the results.

### **Competitive Proposals**

Unlike sealed bidding, the competitive proposal method permits consideration of technical factors other than price, discussion with offerors concerning offers submitted, negotiation of contract price or estimated cost and other contract terms and conditions, revision of proposals before the final contractor selection, and the withdrawal of an offer at any time up until the point of award. Award is normally made on the basis of the proposal that represents the best overall value to RRHA, considering price and other factors, e.g., technical expertise, past experience, quality of proposed staffing, etc., set forth in the solicitation and not solely the lowest price.

- A. Conditions for Use.** Where conditions are not appropriate for the use of sealed bidding, competitive proposals may be used. Competitive proposals are the preferred method for procuring professional services that will exceed the small purchase threshold.

- B. **Form of Solicitation.** Other than A/E services, competitive proposals shall be solicited through the issuance of a RFP. The RFP shall clearly identify the importance and relative value of each of the evaluation factors as well as any subfactors and price. A mechanism for fairly and thoroughly evaluating the technical and price proposals shall be established before the solicitation is issued. Proposals shall be handled so as to prevent disclosure of the number of offerors, identity of the offerors, and the contents of their proposals until after award. RRHA may assign price a specific weight in the evaluation criteria or RRHA may consider price in conjunction with technical factors; in either case, the method for evaluating price shall be established in the RFP.
- C. **Evaluation.** The proposals shall be evaluated only on the criteria stated in the RFP. Where not apparent from the evaluation criteria, RRHA shall establish an Evaluation Plan for each RFP. Generally, all RFPs shall be evaluated by an appropriately appointed Evaluation Committee. The Evaluation Committee shall be required to disclose any potential conflicts of interest and to sign a Non-Disclosure statement. An Evaluation Report, summarizing the results of the evaluation, shall be prepared prior to award of a contract.
- D. **Negotiations.** Negotiations shall be conducted with all offerors who submit a proposal determined to have a reasonable chance of being selected for award, unless it is determined that negotiations are not needed with any of the offerors. This determination is based on the relative score of the proposals as they are evaluated and rated in accordance with the technical and price factors specified in the RFP. These offerors shall be treated fairly and equally with respect to any opportunity for negotiation and revision of their proposals. No offeror shall be given any information about any other offeror's proposal, and no offeror shall be assisted in bringing its proposal up to the level of any other proposal.

A common deadline shall be established for receipt of proposal revisions based on negotiations. Negotiations are exchanges (in either competitive or sole source environment) between RRHA and offerors that are undertaken with the intent of allowing the offeror to revise its proposal. These negotiations may include bargaining. Bargaining includes persuasion, alteration of assumptions and positions, give-and-take, and may apply to price, schedule, technical requirements, type of contract or other terms of a proposed contract. When negotiations are conducted in a competitive acquisition, they take place after establishment of the competitive range and are called discussions.

Discussions are tailored to each offeror's proposal, and shall be conducted by the contract administrator with each offeror within the competitive range. The primary object of discussions is to maximize RRHA's ability to obtain best value, based on the requirements and the evaluation factors set forth in the solicitation. The contract administrator shall indicate to, or discuss with, each offeror still being considered for award, significant weaknesses, deficiencies, and other aspects of its proposal (such as cost, price, technical approach, past performance, and terms and conditions) that could, in the opinion of the contract administrator, be altered or explained to enhance materially the proposer's potential for award. The scope and extent of discussions are a matter of the contract administrator's judgment.

The contract administrator may inform an offeror that its price is considered by RRHA to be too high, or too low, and reveal the results of the analysis supporting that conclusion.

It is also permissible to indicate to all offerors the cost or price that the government's price analysis, market research, and other reviews have identified as reasonable. "Auctioning" (revealing one offeror's price in an attempt to get another offeror to lower their price) is prohibited.

- E. **Award.** After evaluation of the revised proposals, if any, the contract shall be awarded to the responsible firm whose technical approach to the project, qualifications, price and/or any other factors considered, are most advantageous to RRHA provided that the price is within the maximum total project budgeted amount established for the specific property or activity.

- F. **A/E Services.** RRHA must contract for A/E services using Qualification Based Selection (QBS) procedures, utilizing a Request for Qualifications (RFQ). Sealed bidding shall not be used for A/E solicitations. Under QBS procedures, competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. Price is not used as a selection factor under this method. QBS procedures shall not be used to purchase other types of services, though architectural/engineering firms are potential sources.

### **Noncompetitive Proposals**

- A. **Conditions for Use.** Procurement by noncompetitive proposals (sole-source) may be used only when the award of a contract is not feasible using small purchase procedures, sealed bids, cooperative purchasing, or competitive proposals, and if one of the following applies:
1. The item is available only from a single source, based on a good faith review of available sources;
  2. An emergency exists that seriously threatens the public health, welfare, or safety, or endangers property, or would otherwise cause serious injury to RRHA, 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 shall be limited to those supplies, services, or construction necessary simply to meet the emergency;
  3. HUD authorizes the use of noncompetitive proposals; or
  4. After solicitation of a number of sources, competition is determined inadequate.
- B. **Justification.** Each procurement based on noncompetitive proposals shall be supported by a written justification for the selection of this method. The justification shall be approved in writing by the responsible Contracting Officer. Poor planning or lack of planning is not justification for emergency or sole-source procurements. The justification, to be included in the procurement file, should include the following information:
1. Description of the requirement;
  2. History of prior purchases and their nature (competitive vs. noncompetitive);
  3. The specific exception in 24 CFR 85.36(d)(4)(i)(A) through (D) which applies;
  4. Statement as to the unique circumstances that require award by noncompetitive proposals;
  5. Description of the efforts made to find competitive sources (advertisement in trade journals or local publications, phone calls to local suppliers, issuance of a written solicitation, etc.);
  6. Statement as to efforts that will be taken in the future to promote competition for the requirement;
  7. Signature by the Contracting Officer's supervisor (or someone above the level of the Contracting Officer); and
  8. Price Reasonableness. The reasonableness of the price for all procurements based on noncompetitive proposals shall be determined by performing an analysis, as described in this Policy.

### **Cooperative Purchasing/Intergovernmental Agreements**

RRHA may enter into State and/or local cooperative or intergovernmental agreements to purchase or use common supplies, equipment, or services. The decision to use an interagency agreement instead of conducting a direct procurement shall be based on economy and efficiency. If used, the interagency agreement shall stipulate who is authorized to purchase on behalf of the participating parties and shall specify inspection, acceptance, termination, payment, and other relevant terms and conditions. RRHA may use Federal or State excess and surplus property instead of purchasing new equipment and property if feasible and if it will result in a reduction of project costs. The goods and services obtained under a cooperative purchasing agreement must have been procured in accordance with 24 CFR 85.36.

## **ICE**

For all purchases above the Micro Purchase threshold, RRHA shall prepare an independent cost estimate (ICE) prior to solicitation. The level of detail shall be commensurate with the cost and complexity of the item to be purchased.

## **COST AND PRICE ANALYSIS**

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

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

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

### **Small Purchases**

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

### **Sealed Bids**

The presence of adequate competition should generally be sufficient to establish price reasonableness. Where sufficient bids are not received, and when the bid received is substantially more than the ICE, and where RRHA cannot reasonably determine price reasonableness, RRHA must conduct a cost analysis, consistent with federal guidelines, to ensure that the price paid is reasonable.

### **Competitive Proposals**

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

## **Contract Modifications**

A cost analysis, consistent with federal guidelines, shall be conducted for all contract modifications for projects that were procured through Sealed Bids, Competitive Proposals, or Non-Competitive Proposals, or for projects originally procured through Small Purchase procedures and the amount of the contract modification will result in a total contract price in excess of \$100,000.

## **SOLICITATION AND ADVERTISING**

### **Method of Solicitation**

- A. **Petty Cash and Micro Purchases.** RRHA may contact only one source if the price is considered reasonable.
- B. **Small Purchases.** Quotes may be solicited orally, through fax, or by any other reasonable method.
- C. **Sealed Bids and Competitive Proposals.** Solicitation must be done publicly. RRHA shall use one or more of the following solicitation methods, provided that the method employed provides for meaningful competition.
  - 1. Advertising in newspapers of general circulation.
  - 2. Advertising in various trade journals or publications (for construction).
  - 3. E-Procurement. RRHA may conduct its public procurements through the Internet using e-procurement systems. However, all e-procurements must otherwise be in compliance with 24 CFR 85.36, State and local requirements, and the Authority's procurement policy, and may include posting on the Virginia Department of General Services' central electronic procurement website.

### **Time Frame**

For purchases of more than \$100,000, the public notice should run not less than once each week for two consecutive weeks.

### **Form**

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

### **Time Period for Submission of Bids**

A minimum of 30 days shall generally be provided for preparation and submission of sealed bids and 15 days for competitive proposals; however, the Executive Director may allow for a shorter period under extraordinary circumstances.

### **Cancellation of Solicitations**

- A. An IFB, RFP, or other solicitation may be cancelled before bids/offers are due if:
  - 1. The supplies, services or construction is no longer required;
  - 2. The funds are no longer available;
  - 3. Proposed amendments to the solicitation are of such magnitude that a new solicitation would be best; or
  - 4. Other similar reasons.

- B. A solicitation may be cancelled and all bids or proposals that have already been received may be rejected if:
1. The supplies or services (including construction) are no longer required;
  2. Ambiguous or otherwise inadequate specifications were part of the solicitation;
  3. All factors of significance to RRHA were not considered;
  4. Prices exceed available funds and it would not be appropriate to adjust quantities to come within available funds;
  5. There is reason to believe that bids or proposals may not have been independently determined in open competition, may have been collusive, or may have been submitted in bad faith; or
  6. For good cause of a similar nature when it is in the best interest of RRHA.
- C. The reasons for cancellation shall be documented in the procurement file and the reasons for cancellation and/or rejection shall be provided upon request.
- D. A notice of cancellation shall be sent to all bidders/offerors solicited and, if appropriate, shall explain that they will be given an opportunity to compete on any resolicitation or future procurement of similar items.
- E. If all otherwise acceptable bids received in response to an IFB are at unreasonable prices an analysis should be conducted to see if there is a problem in either the specifications or RRHA's cost estimate. If both are determined adequate and if only one bid is received and the price is unreasonable, the Contracting Officer may cancel the solicitation and either
1. Re-solicit using an RFP; or
  2. Complete the procurement by using the competitive proposal method. The Contracting Officer must determine, in writing, that such action is appropriate, must inform all bidders of the RRHA's intent to negotiate, and must give each bidder a reasonable opportunity to negotiate.
- F. If problems are found with the specifications, RRHA should cancel the solicitation, revise the specifications and resolicit using an IFB.

### **Credit (or Purchasing) Cards**

Authorized credit card holders may use a credit card for Micro Purchases. Micro purchases made with a credit card must follow all procurement procedures associated with such purchase. Cash advances are prohibited. Credit card purchases will be subject to scheduled and unscheduled audits on a year round basis.

### **BONDING REQUIREMENTS**

The standards under this section apply to construction contracts that exceed \$100,000. There are no bonding requirements for small purchases or for competitive proposals. RRHA may require bonds in these latter circumstances when deemed appropriate; however, non-construction contracts should generally not require bid bonds.

- A. Bid Bonds. For construction contracts exceeding \$100,000, offerors shall be required to submit a bid guarantee from each bidder equivalent to 5% of the bid price.

- B. Payment Bonds. For construction contracts exceeding \$100,000, the successful bidder shall furnish an assurance of completion. This assurance may be any one of the following four:
1. A performance and payment bond in a penal sum of 100% of the contract price; or
  2. Separate performance and payment bonds, each for 50 % or more of the contract price; or
  3. A 20 % cash escrow; or
  4. A 25 % irrevocable letter of credit.
- C. These bonds must be obtained from guarantee or surety companies acceptable to the U. S. Government and authorized to do business in the State where the work is to be performed. Individual sureties shall not be considered. U. S. Treasury Circular Number 570 lists companies approved to act as sureties on bonds securing Government contracts, the maximum underwriting limits on each contract bonded, and the States in which the company is licensed to do business. Use of companies on this circular is mandatory.

## **CONTRACTOR QUALIFICATIONS AND DUTIES**

### **Contractor Responsibility**

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

- A. Have adequate financial resources to perform the contract, or the ability to obtain them;
- B. Be able to comply with the required or proposed delivery or performance schedule, taking into consideration all the bidder's/offeror's existing commercial and governmental business commitments;
- C. Have a satisfactory performance record;
- D. Have a satisfactory record of integrity and business ethics;
- E. Have the necessary organization, experience, accounting and operational controls, and technical skills, or the ability to obtain them;
- F. Have the necessary production, construction, and technical equipment and facilities, or the ability to obtain them; and,
- G. Be otherwise qualified and eligible to receive an award under applicable laws and regulations, including not be suspended, debarred or under a HUD-imposed LDP.
- H. Register and participate in the "E-Verify program" operated by the U. S. Department of Homeland Security (or successor work verification program) to verify the work authorization status of newly hired employees, if the contractor has more than an average of 50 employees for the previous 12 months.

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

### **Suspension and Debarment**

Contracts shall not be awarded to debarred, suspended, or ineligible contractors. Contractors may be suspended, debarred, or determined to be ineligible by HUD in accordance with HUD regulations (**24 CFR Part 24**) or by other Federal agencies, e.g., Dept of Labor for violation of labor regulations, when necessary to protect housing authorities in their business dealings.

### **Vendor Lists**

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

## **CONTRACT PRICING ARRANGEMENTS**

### **Contract Types**

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

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

### **Options**

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

- A. The option is contained in the solicitation;
- B. The option is a unilateral right of the Authority;
- C. The contract states a limit on the additional quantities and the overall term of the contract;
- D. The options are evaluated as part of the initial competition;
- E. The contract states the period within which the options may be exercised;
- F. The options may be exercised only at the price specified in or reasonably determinable from the contract; and
- G. The options may be exercised only if determined to be more advantageous to RRHA than conducting a new procurement.

## **CONTRACT CLAUSES**

All contracts should identify the contract pricing arrangement as well as other pertinent terms and conditions, as determined by RRHA.

Additionally, the forms HUD-5369, 5369-A, 5369-B, 5369, 5370, 5370-C, and 51915-A, which contain all HUD-required clauses and certifications for contracts of more than \$100,000, as well as any forms/clauses as required by HUD for small purchases, shall be used in all corresponding solicitations and contracts issued by this Authority.

## **CONTRACT ADMINISTRATION**

RRHA shall maintain a system of contract administration designed to ensure that contractors perform in accordance with their contracts. These systems shall provide for inspection of supplies, services, or construction, as well as monitoring contractor performance, status reporting on major projects including construction contracts, and similar matters. For cost-reimbursement contracts, costs are allowable only to the extent that they are consistent with the cost principles in HUD Handbook 2210.18.

## **SPECIFICATIONS**

### **General**

All specifications shall be drafted so as to promote overall economy for the purpose intended and to encourage competition in satisfying RRHA needs. Specifications shall be reviewed prior to issuing any solicitation to ensure that they are not unduly restrictive or represent unnecessary or duplicative items. Function or performance specifications are preferred. Detailed product specifications shall be avoided whenever possible. Consideration shall be given to consolidating or breaking out procurements to obtain a more economical purchase. For equipment purchases, a lease versus purchase analysis should be performed to determine the most economical form of procurement.

### **Limitation**

The following types of specifications shall be avoided:

- A. geographic restrictions not mandated or encouraged by applicable Federal law (except for A/E contracts, which may include geographic location as a selection factor if adequate competition is available);
- B. brand name specifications (unless the specifications list the minimum essential characteristics and standards to which the item must conform to satisfy its intended use).

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

## **APPEALS AND REMEDIES**

### **General**

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

### **Informal Appeals Procedure**

To issue a bid protest/appeal for contracts of \$100,000 or less, the bidder/contractor may request to meet with the appropriate Contract Officer.

### **Formal Appeals Procedure For Contracts More Than \$100,000**

- A. **Bid Protest.** Any actual or prospective contractor may protest the solicitation or award of a contract for serious violations of the principles of this Policy. Any protest against a solicitation must be received before the due date for the receipt of bids or proposals, and any protest against the award of a contract must be received within ten (10) calendar days after the contract receives notice of the contract award, or the protest will not be considered. All bid protests shall be in writing, submitted to the Contracting Officer or designee, who shall issue a written decision on the matter. The Contracting Officer may, at his/her discretion, suspend the procurement pending resolution of the protest if the facts presented so warrant.
- B. **Contractor Claims.** All claims by a contractor relating to performance of a contract shall be submitted in writing to the Contracting Officer for a written decision. The contractor may request a conference on the claim. The Contracting Officer's decision shall inform the contractor of its appeal rights to the next higher level of authority in RRHA. Contractor claims shall be governed by the Changes clause in the form HUD-5370.

## **ASSISTANCE TO SMALL AND OTHER BUSINESSES**

### **Required Efforts**

Consistent with Presidential Executive Orders 11625, 12138, and 12432, Section 3 of the HUD Act of 1968, and 2.2-4310 of the Virginia Public Procurement Act, all feasible efforts shall be made to ensure that small and minority-owned businesses, women's business enterprises, service disabled veteran-owned businesses, and other individuals or firms located in or owned in substantial part by persons residing in the area of RRHA project are used when possible.

Whenever solicitations are made, RRHA shall include businesses selected from a list made available by the Department of Minority Business Enterprise.

RRHA has adopted a Section 3 Policy and is available for review at G:\Purchasing\Section 3 Policy. Please refer to this document for specific policy requirements as well as procedures.

Efforts to utilize small and minority-owned businesses, women's business enterprises, service disabled veteran-owned businesses and other businesses shall include, but shall not be limited to:

- A. Including such firms, when qualified, on solicitation mailing lists;
- B. Encouraging their participation through direct solicitation of bids or proposals whenever they are potential sources;
- C. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by such firms;
- D. Establishing delivery schedules, where the requirement permits, which encourage participation by such firms;
- E. Using the services and assistance of the Small Business Administration, the Minority Business Development Agency of the Department of Commerce and the Department of Minority Business Enterprise;
- F. Including in contracts, to the greatest extent feasible, a clause requiring contractors, to provide opportunities for training and employment for lower income residents of the project area and to award subcontracts for work in connection with the project to business concerns which provide opportunities to low-income residents, as described in 24 CFR Part 135 (so-called Section 3 businesses); and
- G. Requiring prime contractors, when subcontracting is anticipated, to take the positive steps listed above.

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

### Definitions

1. A **small business** is defined as a business that is: independently owned; not dominant in its field of operation; and not an affiliate or subsidiary of a business dominant in its field of operation. The size standards in 13 CFR Part 121 should be used to determine business size.
2. A **minority-owned business** is defined as a business which is at least 51% owned by one or more minority group members; or, in the case of a publicly-owned business, one in which at least 51% of its voting stock is owned by one or more minority group members, and whose management and daily business operations are controlled by one or more such individuals. Minority group members include, but are not limited to Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans, Asian Indian Americans, and Hasidic Jewish Americans.
3. A **women's business enterprise** is defined as a business that is at least 51% owned by a woman or women who are U.S. citizens and who control and operate the business.
4. A "**Section 3 business concern**" is as defined under 24 CFR Part 135.
5. A **labor surplus area business** is defined as a business which, together with its immediate subcontractors, will incur more than 50% of the cost of performing the contract in an area of concentrated unemployment or underemployment, as defined by the DOL in 20 CFR Part 654, Subpart A, and in the list of labor surplus areas published by the Employment and Training Administration.
6. A **service disabled veteran-owned business** means a business concern that is at least 51% owned by one or more service disabled veterans or, in the case of a corporation, partnership, or limited liability company or other entity, at least 51% of the equity ownership interest in the corporation, partnership, or limited liability company or other entity is owned by one or more individuals who are service disabled veterans and both the management and daily business operations are controlled by one or more individuals who are service disabled veterans.

### BOARD APPROVAL OF PROCUREMENT ACTIONS

The RRHA Procurement Policy and all its revisions must be submitted to the Board of Commissioners for review and approval.

All contracts having a dollar value of \$100,000 or more must be submitted to the Board of Commissioners for review and approval prior to awarding a contract. For all contracts of \$100,000 or more, any and all change orders, contract modifications, and/or amendments having a dollar value of \$25,000 or more must be submitted to the Board of Commissioners for review and approval prior to executing the contract modification.

For all contracts of \$100,000 or more, any and all change orders, contract modifications, and/or amendments that result in a cumulative dollar value that exceeds 10% of the original contract value, must be submitted to the Board of Commissioners for review and approval prior to executing the contract modification.

## **INTERPRETATION OF POLICY**

In the event of ambiguity, contradiction or unforeseen situations not addressed clearly or directly in this policy, the Executive Director shall use his/her best professional judgment in making a decision that will best protect the interest of RRHA and ensure RRHA's compliance with applicable statutory and regulatory requirements.

## **DELEGATION OF CONTRACTING AUTHORITY**

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

Further, and in accordance with this delegation of authority, the Executive Director has established operational procedures to implement this Policy. The Procurement Procedure Manual is located on the "P" drive making it available to all employees of RRHA.

A system of sanctions for violations of ethical standards are noted in RRHA's Code of Ethics and Standards of Conduct Policy and are consistent with Federal, State, or local law.

## **DOCUMENTATION**

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

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

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

Records are to be retained for a period of five years after final payment and all matters pertaining to the contract are closed.

## **FUNDING AVAILABILITY**

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

## **SELF-CERTIFICATION**

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

## ELECTRONIC CODE OF FEDERAL REGULATIONS

**e-CFR data is current as of November 4, 2015**

[Title 2](#) → [Subtitle A](#) → [Chapter II](#) → [Part 200](#) → [Subpart B](#) → §200.110

Title 2: Grants and Agreements

[PART 200—UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS](#)

[Subpart B—General Provisions](#)

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**§200.110 Effective/applicability date.**

(a) The standards set forth in this part which affect administration of Federal awards issued by Federal awarding agencies become effective once implemented by Federal awarding agencies or when any future amendment to this part becomes final. Federal awarding agencies must implement the policies and procedures applicable to Federal awards by promulgating a regulation to be effective by December 26, 2014 unless different provisions are required by statute or approved by OMB. For the procurement standards in §§200.317-200.326, non-Federal entities may continue to comply with the procurement standards in previous OMB guidance (superseded by this part as described in §200.104) for two additional fiscal years after this part goes into effect. If a non-Federal entity chooses to use the previous procurement standards for an additional two fiscal years before adopting the procurement standards in this part, the non-Federal entity must document this decision in their internal procurement policies.

(b) The standards set forth in Subpart F—Audit Requirements of this part and any other standards which apply directly to Federal agencies will be effective December 26, 2013 and will apply to audits of fiscal years beginning on or after December 26, 2014.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75882, Dec. 19, 2014; 80 FR 54408, Sept. 10, 2015]

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