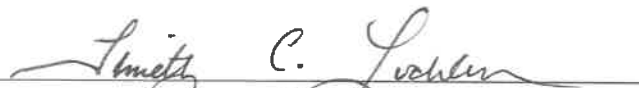




PROCUREMENT POLICY

Revised and adopted this the 21st day of February, 2017



Mr. Timothy C. Locklear, Chairman
HACE Board of Commissioners

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HACL PROCUREMENT POLICY

I. CERTIFICATION

This amended Housing Authority of the City of Lumberton (HACL) procurement policy is certified to be in compliance with 24 CFR 85.36 and with the Annual Contributions Contract between the US Department of Housing and Urban Development (HUD) and the HACL. The effective date of this policy, as revised, is February 21, 2017, upon adoption by the HACL Board of Commissioners. Future amendments to the policy will be made as needed through action by the HACL Board of Commissioners.

II. PURPOSE

The purpose of the HACL procurement policy is to ensure that all procurement transactions are conducted in a manner ensuring full and open competition consistent with State laws and regulations, Federal laws and regulations including procurement requirements of 24 CFR 85.36, and with quality workmanship; to provide for the fair and equitable treatment of all firms or persons involved in HACL purchasing; to assure that supplies, services, and construction are procured efficiently, effectively, and at the most favorable prices to the HACL; and to ensure adequate safeguards for maintaining a procurement system of quality and integrity.

The HACL shall not unduly restrict competition through unreasonable requirements, such as unnecessary experience, or qualifications and/or excessive bonding; noncompetitive pricing practices between firms or affiliated companies; noncompetitive awards to consultants on retainer; organizational conflicts of interest; unnecessary and uneconomical use of only a "brand name"; local geographic preferences, except where mandated or encouraged; any other arbitrary action that unnecessarily restricts competition.

III. APPLICATION

The procurement policy applies to all State and Federal HACL purchases and contracts to procure supplies, services, and construction, including contract modifications and change orders as well as purchase, lease, or rental of supplies and equipment.

IV. STANDARDS OF CONDUCT

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

1. An employee, officer, or agent involved in making the award;
2. 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, half-sister, grandmother, or grandfather);

3. His/her partner: or,
4. An organization which employs, is negotiating to employ, or has an arrangement concerning prospective employment of any of the above.

HACL officers, employees, or agents shall not solicit or accept gratuities, favors, or anything of monetary value except unsolicited gifts of nominal value (under \$25.00) from contractors, potential contractors, or parties to subcontracts, and shall not knowingly use confidential information for actual or anticipated personal gain.

Contractors shall not retain a person to solicit or secure a HACL contract for a commission, percentage, brokerage, or contingent fee.

Disciplinary action for violations of the above standards will be as outlined in the HACL's Code of Ethics, incorporated herein by reference, and consistent with State, Federal, and local law.

V. PUBLIC INFORMATION

All information regarding HACL procurement policy, procedures, and records shall be available to the public to the extent provided in the North Carolina Public Records Law under Chapter 132 of the North Carolina General Statutes.

VI. CONTRACTING AUTHORITY AND ADMINISTRATION

A. CONTRACTING OFFICER

The HACL Contracting Officer shall be invested by the HACL Board with the authority to enter into contracts under **\$50,000.00** on behalf of the HACL and shall be responsible for the administration of all contracts. The Contracting Officer shall be the Executive Director and any other staff members designated by the Executive Director as a contracting officer.

ALL CONTRACTS IN EXCESS OF \$50,000.00 MUST BE SIGNED BY THE CHAIRMAN OF THE HACL BOARD OF COMMISSIONERS.

B. CONTRACTING OFFICER RESPONSIBILITIES

The Contracting Officer's signature, placed on a contract document on behalf of the HACL to indicate execution by the HACL, binds the HACL in a legal commitment and requires monitoring of the contractor's performance and acceptance or rejection of requests for change orders involving expenditure of funds, time extensions, and/or changes in specifications. The Contracting Officer also bears responsibility:

1. For performing tasks at the daily operating level such as contract initiation, development, negotiation, award of contracts \$50,000.00 or under for construction type contracts, \$25,000.00 or under for professional service contracts and \$25,000.00 or under for procurement of goods, contract administration and close-out.
2. To establish and maintain a contract administration system to assure that all contractors perform in accordance with the terms.

- conditions, and specifications of contracts and purchase orders.
3. To ensure that an independent cost estimate is prepared before solicitations are made, and a cost or price analysis is conducted of all procurement responses.
 4. To ensure that contract award is made to the most responsive and responsible bidder offering the lowest price for sealed bid contracts or to the offeror whose proposal offers the greatest value to the HACL considering price, technical and other factors.
 5. To ensure that sufficient unencumbered funds are available to cover the anticipated cost of each procurement, work is inspected before payment, and payment made promptly after acceptance.
 6. To establish operational and inspection procedures as necessary to implement this policy.

VII. PROCUREMENT STANDARDS

A. ALL PROCUREMENT SOLICITATIONS SHALL:

1. Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured, which may include a qualitative description and, if necessary, set forth the minimum essential characteristics and standards necessary to satisfy an intended use. "Brand name or HACL approved equal" descriptions may be used to define performance or other important requirements of procurement where other descriptions would be impractical or uneconomical.
2. Identify all requirements, which bidders must fulfill, and all other factors to be used in evaluating bids or proposals.
3. Except in emergencies, procurement specifications will be available a minimum of seven (7) days prior to the deadline for the submission of sealed bids or proposals.

B. ALL PROCUREMENTS SHALL BE:

1. Documented to reflect the rationale for the method of procurement, selection of contract type, contractor selection or rejection, and basis for contract price.
2. Awarded only to responsible and responsive contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement, considering such factors as contractor integrity, compliance with public policy, past performance, and financial and technical resources.
3. Reviewed to avoid unnecessary or duplicative items and analyzed to determine the most economical purchasing alternatives (for example, lease vs. purchase; consolidating or breaking out quantities or services, etc.).
4. Subject to a cost or price analysis, depending on the facts surrounding the

particular procurement. independent estimates shall be made before receiving bids or proposals. A cost analysis shall be performed when adequate price competition is lacking. for sole source procurement including contract modifications or change orders (unless price reasonableness can be established on the basis of a catalog or market price of a product sold in substantial quantities to the public, or price is set by law or regulation). and when the bidder is required to submit the elements of his/her estimated cost. as in professional, consulting, and AIE services contracts. A price analysis will be used in all other instances to determine the reasonableness of a proposed contract price.

VIII. METHODS OF PROCUREMENT

A. PETTY CASH PURCHASES

1. Administration - Departments as designated in *Attachment A* shall have access to a Petty Cash fund. The Department of Administration and Finance shall be responsible for the oversight/administration and auditing of each fund. The department head or his/her designee shall be the custodian of the fund(s). These accounts shall be used for the purchase of items essential to daily operation. Accounts shall be replenished as needed upon submittal to HACL Department of Administration and Finance of

vouchers with supporting sales receipts verifying and properly documenting each item purchased. In no event, shall a purchase over \$25.00 be made from the Petty Cash fund.

2. Reimbursement - When an employee wishes to be reimbursed from petty cash for a HACL purchase, a petty cash voucher must be submitted, with appropriate signatures, accompanied by a valid **original** receipt from the vendors identifying the item(s) purchased, date and amount of payment, and full name and signature of person receiving payment. **NO REIMBURSEMENT SHALL BE MADE WITHOUT PROPER DOCUMENTATION OR BEYOND 30 DAYS FROM DATE OF PURCHASE.** Receipts should be presented within two business days.

3. Advances - Documentation as required for reimbursements (above) shall be presented with two business days of date of purchase for any funds advanced from the Petty Cash fund.

4. Petty Cash Fund Locations - Petty cash funds in the amounts shown shall be established at the following sites: (*See Attachment A*)

B. SMALL PURCHASE PROCUREMENT

1. For purchases above the Petty Cash ceiling, but not exceeding \$3000.00, also known as "Micro Purchases", only one quote is required provided the quote is considered reasonable. To the greatest extent feasible, and to promote competition, small purchases should be distributed among qualified sources. Quotes may be 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 the HACL. If award is to be made for reasons other than lowest price, documentation shall be provided in the contract file.

The HACL shall not break down requirements aggregating more than the small purchase threshold (or the Micro Purchase threshold) into several purchases that are less than applicable threshold merely to (a) permit use of the small purchase procedures; or (b) avoid any requirements that applies to purchases that exceed the Micro Purchase threshold. Every purchase requires the signature of the requisitioner and his/her department head.

2. Purchases of materials, supplies, between \$2001.00 and \$25,000.00 shall be made through competitive solicitation, with quotations invited from a minimum of at least three suppliers, provided, however, that solicitation shall be made first from a list of Section 3-qualified business concerns. Price or rate quotation shall be obtained from an adequate number of sources reflecting the number of providers that are available. A file shall be kept of all invitations made, offers received, the rationale/justification for the accepted offer, the basis of the contract price, and any other information pertinent to a record of the history of the procurement, and justification of the source used. Every purchase requires the signature of the requisitioner and his/her department head.

C. SEALED BID PROCUREMENT

All procurements in excess of \$50,000.00 for demolition, excavation, construction, alteration, renovation (over \$25,000.00 for other types of procurement) shall be publicly advertised and solicited in the form of sealed bids in accordance with 24 CFR 85.36 (c)(4)(d)(2). A firm fixed-price contract (lump sum or unit price) shall be awarded to the firm determined to be the lowest responsible and responsive bidder after consideration of all relevant price-related factors, including compliance with Section 3 requirements, as well as all material terms and conditions of the invitation for bids.

The sealed bid method is the preferred method for construction procurement if the following conditions are present: (a.) a complete, adequate, realistic specification of purchase description is available; (b.) two or more responsible bidders are willing to compete effectively for the business; (c.) the procurement lends itself to a firm fixed-price contract, and selection can be made after consideration of all relevant price-related factors, including compliance with Section 3 requirements, as well as all material terms and conditions of the invitation for bids.

1. Public Notice.

Not less than twenty days (10 days for materials and supplies) before public opening of the sealed bids, bids shall be publicly advertised and solicited from an adequate number of known suppliers. The invitation to bid shall define the items or services necessary for bidders to properly respond; advise bidders as to where and when complete specifications and attachments can be obtained, and the time and place of the public opening of the bids. Specifications on which the bidding is based shall be available to bidders a sufficient time.

depending on the length and complexity of the specifications, to prepare bids prior to the date of opening of the bids.

2. Section 3 Program.

Section 3 of the Housing and Urban Development Act of 1968 (12 USC 1701a) ("Section 3") ensures that employment and other economic opportunities generated by HUD-financed assistance to the Authority shall to the greatest extent feasible and consistent with existing Federal, State and Local laws and regulations be directed to low and very-low income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low and very-low income persons.

3. Amendments

The Authority will issue changes to a bid package by means of amendments. Each amendment issued on a particular bid package will be numbered sequentially and sent to all bidders previously receiving the bid package. Except in emergencies, the amendment must be faxed to the bidders at least seven (7) calendar days prior to the bid opening. Where this condition cannot be met, the bid opening date will be postponed a reasonable period of time from the date of the last amendment.

4. Bid Guaranty.

Each bid received for a construction contract must be accompanied by a bid guaranty of five percent (5%) of the amount bid. The bid guaranty shall be in the form of a certified check, bank draft, US Government Bond at par value or a bid bond secured by a Surety Company licensed to do business in North Carolina. For contracts using federal funds, the Surety Company must also be approved by the US Department of the Treasury and must either hold a certificate of Authority from such Department or be listed in the current Department Circular 570.

5. Non-Collusive Affidavit.

Each bidder is required to submit with his/her bid, an affidavit that s/he has not colluded with any other person, firm, or corporation in regard to the bid submitted.

6. Bid Opening.

Bids shall be received unopened at the HACL office, as stated in the public bid notice, up until the publicized date and time of the bid opening. The number of bids received shall be held in confidence by the Authority until the bid opening, at which time each bidder's name, bid price, and other data required to be submitted with the bid shall be read aloud to all bidders in attendance and at least one witness. The results of the bid opening shall be summarized and made available for public inspection.

7. Bids Received After Opening.

Bids, which are received after the bid-opening deadline, shall be date stamped and initialed by the Authority and returned unopened to the bidder.

The Authority shall make exceptions to this in instances where the HACL is responsible for the delay in receiving the bid.

8. Withdrawal and Changes to Bids.

Where a unilateral error or mistake is discovered in a bid, such bid may be withdrawn after a showing of the following: (1) the mistake is known or made known to the HACL prior to the awarding of the contract or within three days after the opening of the bid, whichever period is shorter; and (2) the bid price was based on an error of such magnitude that enforcement would be unconscionable; and (3) the bid was submitted in good faith and the bidder submits credible evidence that the bid was a clerical error as opposed to a judgment error; and (4) the error in the bid is actually due to an unintentional and substantial arithmetic error or an unintentional omission of a substantial quantity of work, labor, material, or services made directly in the compilation of the bid, which unintentional arithmetic error or unintentional omission can be clearly shown by objective evidence drawn from inspection of the original work paper, documents, or materials used in the preparation of the bid sought to be withdrawn; and (5) it is possible to place the housing authority in status quo ante. Unless otherwise required by law, the sole remedy for a bid mistake shall be withdrawal of that bid and the return of the bid bond or other security, if any, to the bidder. Thereafter, the HACL may, in its discretion, award the contract to the next lowest bidder or re-bid the contract. Any amendment to or reformation of a bid or a contract to rectify such an error or mistake therein is strictly prohibited. Unopened bids may be withdrawn by bidder any time prior to the time set for opening of the bids.

9. Bid Acceptance and Bid Evaluation.

Bids shall be evaluated only on the basis of the requirements specified in the Invitation for Bids. All criteria which affect the bid price such as resident preferences, compliance with Section 3 requirements, discounts, transportation costs, and total and life cycle costs shall be objectively measured in determining the lowest responsible and responsive bid. Where the Authority deems it to its best interest, necessary, or desirable to effectuate the purposes of the NC Public Housing Law or the economy or efficiency in construction and operation of a project, the Authority may, by majority vote of its members, either reject all bids or re-advertise for bids, or by unanimous vote of its members accept a bid other than the lowest bid. This includes but is not limited to situations where bids received are not responsive to the essential requirements of the Invitation, are above budgeted amount, or have not produced adequate competition to promote a cost-effective purchase. Any bid received may be rejected based upon documented evidence of a contractor's inability to perform successfully under the terms of the solicitation or where the contractor's integrity, compliance with public policy, record of past performance and financial and technical resources are found to be inadequate.

10. Single Bids.

If only one responsive and responsible bid is received in response to a re-bidding of an Invitation to Bid, an award shall be made to the single bidder if the Authority finds that the price submitted is fair and reasonable and that other prospective bidders have been given reasonable opportunity to respond.

The bid tabulation sheet for single bids shall be labeled with "Contract Awarded to Sole Bidder".

11. Notice of Contract Award.

The Authority shall not make any commitments as to the award of contract until all bids can be evaluated. Board approval is required on all awards of construction contracts exceeding \$50,000.00 and all purchase contracts exceeding \$25,000.00. The contractor receiving the award shall be notified in writing as soon as all necessary approvals are met (Board, HUD, etc.).

12. Performance and Payment Bond.

In all construction contracts, over \$50,000.00, a performance bond and a payment bond, each equal to 100% of the total contract price shall be required of each contract awarded. Contracts under \$50,000.00 for work projects are not required to provide Performance or Payment bonds. The bonds must be executed by a surety company authorized to do business in North Carolina and be dated on or after the date of contract execution. For contracts using federal funds, the Surety Company must also be approved by the US Department of the Treasury and must either hold a certificate of Authority from such Department or be listed in the current Department Circular 570.

D. COMPETITIVE PROPOSALS

In the case of professional services and other types of contracts where conditions and requirements of the contract are not appropriate for sealed bidding, the HACL will solicit competitive proposals from a number of qualified sources. The HACL will conduct a technical evaluation of the proposals received and will select the responsible firm whose proposal is most advantageous to the program, considering Section 3 priority ranking, and all relevant price-related factors as at least two (2) of several selection factors. All requests for proposals will be advertised and identify all evaluation factors and their relative importance. Responses to publicized RFP's shall be honored as far as practical.

All Architectural/Engineering professional services in excess of the small purchase limitation (or less if required by State or local law) may be obtained by either the competitive proposals method or qualifications-based selection procedures, unless State law mandates a specific method. Sealed bidding, however, shall not be used to obtain architect/engineer services. Not all review and selection committee panels for RFP shall have more than three (3) members.

In the case of qualifications-based procurement (Request for Qualifications (RFQ)) of Architectural/Engineering and all other professional services whereby competitors' qualifications are evaluated and the most qualified competitor selected, subject to negotiation of fair and reasonable compensation, price is not required to be the sole selection factor.

E. NONCOMPETITIVE PROPOSALS

1. Conditions.

Procurement by this method may be used only when the award of a contract is not feasible under small purchase procurement, sealed bids, or competitive proposals, and one of the following circumstances applies: (1.) The item is available only from a single source; (2.) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation; (3.) HUD, or the granting agency involved in the procurement, authorizes noncompetitive proposals; (4.) After solicitation of a number of sources, competition is determined inadequate.

2. Cost Analysis.

Noncompetitive proposal procurement shall not be used unless a cost analysis is conducted of the procurement to verify proposed cost data and projections of data, and to evaluate specific elements of costs and profit.

3. Emergency.

In the case of a public emergency arising out of an accident or other unforeseen occurrence or condition whereby circumstances affecting HACL buildings or property, or the life, health, safety, or property of HACL residents, employees, or the public at large, require immediate action which cannot await competitive bidding, contracts sufficient to deal with the emergency may be let by the HACL Board or the Executive Director.

F. CHANGE ORDERS

All change orders totaling over \$10,000.00 or 2% of the contract amount, whichever is lower, or time extensions in excess of 60 days, must be approved by the HACL Board of Commissioners.

All change orders under those amounts shall be submitted to the HACL Board of Commissioners as informational items; however, when the aggregate of all change orders exceeds the greater of \$10,000.00 or 2% of the contract amount, or 60 days, Board approval must be obtained.

Change orders which result in a credit to the Authority shall be submitted to the Board as an informational item only and shall not be counted as part of the total of change orders requiring Board approval.

G. COOPERATIVE PURCHASING

The HACL may enter into State and local intergovernmental agreements to purchase or use common goods and services or may use State procurement contracts, which have been bid statewide. The decision to use an intergovernmental agreement, a State bid procurement, or conduct a direct procurement shall be based on economy and efficiency. If used, the intergovernmental agreement shall stipulate who is authorized to purchase on behalf of the participating parties and shall specify inspection, acceptance, termination, payment, and other relevant terms and conditions. The HACL may use Federal or State excess and surplus property instead of purchasing new equipment and property whenever such use is feasible and reduces project costs.

The Carolinas Purchasing Consortium (CPC) as administered by the Carolinas

Council of Housing & Redevelopment Codes Officials may be utilized to provide for the efficient use of HACL procurement needs as determined by the Executive Director and/or his/her designee.

IX. CONTRACT CLAUSES

In addition to containing a clause identifying the contract type, all contracts shall include any clauses required by Federal Statutes, executive orders, and their implementing regulations, as provided in 24 CFR 85.36, such as the following:

1. Termination for convenience;
2. Termination for default;
3. Equal Employment Opportunity;
4. Anti-Kickback Act;
5. Davis-Bacon Act;
6. Contract Work Hours and Safety Standards Act, reporting requirements;
7. Patent rights;
8. Rights in data;
9. Examination of records by Comptroller General, retention of records for three years after close-out;
10. Clean air and water;
11. Energy efficiency standards;
12. Bid protests and contract claims;
13. Value engineering;
14. Payment of funds to influence certain Federal transactions; and
15. Section 3 Clauses.

Value engineering clauses may be used in construction contracts of sufficient size where the use of value engineering (a systematic and creative analysis of each contract item/task to ensure that its essential function is provided at an overall lower cost) will yield cost reductions.

X. TYPES OF CONTRACTS

A. TIME & MATERIALS

Time and materials types of contracts will be used for HACL procurement only if: (1.) No other type of contract is suitable; and (2.) The contract includes a ceiling price that the contractor exceeds at its own risk.

B. COST PLUS PERCENTAGE OF COST

Cost plus percentage of cost and percentage of construction cost methods of contracting shall not be used.

C. Capital Fund Program (CFP)

All procurements made under the Capital Fund Program (CFP) shall currently be in accordance with the Capital Fund Program Grant handbook and HUD regulations until such time as HUD adopts its final rule for a Capital Fund Program Handbook outlining those program requirements.

XI. PROCUREMENT PROTEST PROCEDURES

It is the policy of the HACL to resolve all contractual issues informally without litigation, if possible. 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 of a solicitation must be received by the Contracting Officer before the due date for receipt of bids or proposals, and any protest against the award of a contract must be received within ten (10) calendar days after contract award, or the protest will not be considered. All bid protests shall be in writing, submitted to the Contracting Officer, or to the Contract Administrator (on any contract administered through the services of an independent contractor) who shall issue a written decision on the matter. The Contracting Officer may, at his or her discretion, or with Board approval in contracts in excess of \$50,000.00, suspend the procurement pending resolution of the protest, if warranted by the facts presented.

All claims by a contractor relating to performance of a contract shall be submitted in writing to the Contracting Officer/Administrator for a written decision within a reasonable period of time. The contractor may request a conference on the claim. The Contracting Officer/Administrator's decision shall inform the contractor of the right to appeal his/her decision to the Executive Director.

XII. SMALL, SECTION 3 AND M/WBE BUSINESSES

A. AFFIRMATIVE STEPS

The HACL will take all necessary affirmative steps to ensure the use of minority firms (MBEs), women's business enterprises (WBEs), Section 3 businesses, and labor surplus area firms, including: Preparing solicitation lists of qualified small, minority, resident-owned, and/or women's business enterprises; encouraging participation by small, minority, resident-owned, and women's businesses by dividing total requirements into smaller tasks or quantities, or by establishing suitable delivery schedules; using the services of the Small Business Administration and Minority Business Development Agency of the Department of Commerce; and requiring these affirmative steps of a prime contractor.

B. DEFINITIONS

1. Small Business: one that is independently owned, not dominant in its field of operation; and is not an affiliate or subsidiary of a business dominant in its field of operation.
2. A Minority-owned business: one that is at least 51% owned by one or more minority group members and whose management and daily business operations are controlled by one or more such individuals.
3. Women's business enterprise: a business that is at least 51% owned by a woman or women who also control or operate the business.
4. Section 3 businesses are:
 1. Category 1 firms: those which are 51% owned by Lumberton Housing Authority residents or who employ 51% or greater of their total full-time employees who are residents of

the housing development(s) covered under the scope of work of the contract.

2. Category 2 firms: those which are located within a Town of Lumberton Section 3 designated area and which are owned 51% or greater by residents of any Authority-managed housing development or who employ 51% or greater of their total full-time employees who are residents of any housing development operated by the Authority.

3. Category 3 firms: those firms operated in the Metropolitan area and certified by the Secretary of HUD as "Youth Build" programs.

4. Category 4 firms: those firms which are owned 51% or greater by Section 3 residents or whose total full-time employees are 30% or greater Section 3 residents or who have subcontracted 35% or more of the total dollar amount of the contract to Section 3 certified firms as defined in paragraphs 1. and 2. Proceeding.

C. CONTRACTING WITH RESIDENT-OWNED BUSINESSES

The HACL may limit solicitations to resident-owned businesses, defined as Category 1 firms in Section XII B (4)(1). Contracts awarded as a result of this process must meet all other procurement requirements and must not exceed the independent cost estimate or the price normally paid for comparable supplies, services, or construction in the area. Firms will be limited to receiving awards under this process to a combined total dollar value of \$1,000,000.00.

XIII. CONTRACTOR QUALIFICATIONS AND DUTIES

1. Contractor Responsibility

Contract awards for sealed bids and quotes will be awarded to the responsive and responsible bidder offering the lowest price. Competitive proposal awards are based on whose proposal offers the greatest value to HACL, considering price, technical, and other factors as specified in the solicitation. HACL 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 record of integrity and business ethics, including a satisfactory performance record;
- D. Have the necessary organization, experience, accounting and operational controls, and technical skills, or the ability to obtain them;
- E. Have the necessary production, construction, and technical equipment and facilities, or the ability to obtain them; and,
- F. Be otherwise qualified and eligible to receive an award under applicable laws and regulations, including not be suspended, debarred

or under a HUD-imposed Limited Denial of Participation list.

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.

2. 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. Firms shall not be precluded from qualifying during the solicitation period.

3. 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.

The Executive Director, after review of all facts, circumstances and finding a rational basis, may declare a bidder or contractor ineligible to bid on Authority contracts for a period not to exceed three years for any of the following grounds:

- A. Two or more claims of computational error in bid submission in a two-year period;
- B. Unjustified refusal to provide or execute contract documents;
- C. Unsatisfactory performance of a contract;
- D. Unjustified refusal to perform or complete contract work or warranty performance;
- E. Unjustified failure to honor obligations or legal requirements pertaining to a contract;
- F. Conviction under State or Federal statutes for fraud, bribery, theft, falsification or destruction of records, receiving stolen property, or of any other similar crime or offense indicating a lack of business integrity and which would directly affect the reliability and credibility of performance of such a vendor or contractor with future contracts with the Commission; or
- G. Based on the limited debarment by another governmental agency, HACL shall permanently debar any bidder or contractor for a conviction under Federal or State practices involving the administration or award of a contract with the Authority or permanent debarment of the bidder or contractor by another governmental agency.

The bidder or contractor shall be provided notice and an opportunity to present evidence and show cause before HACL, why such ineligibility shall not be declared after a factual basis for debarment has been established.

4. **Three (3) contractor limit, dollar threshold limit, shared interest in multiple businesses, and shared insurance for multiple businesses**

The HACL, in accordance with HUD regulations and HUD Handbook 7460.8 Rev. 2, awards construction contracts to the lowest Responsible, Responsive bidder whose bid conforms to the solicitation. The HACL will qualify an apparent low bidder to determine if they are Responsible and Responsive. The HACL may require statements of business, sub-business and/or financial records of contractors as part of the qualifying process. Per HUD 24 CFR 85.36 (b) (9) and HUD 5369 (d), HACL may reject any and all bids for any reason.

Some of the reasons HACL may reject a bid by way of example are as follows: The HACL may reject a contractor's bid and disallow them from contract award for performing more than three (3) separate contracts for HACL at one time.

The HACL may reject a contractor's bid and disallow them from contract award if their current contracted dollar amount of work with HACL exceeds 1,000,000.00. The HACL may reject a contractor's bid and disallow them from contract award if HACL believes that an individual has an interest in more than one of the bidding companies. This would include a company in which a bidder is part owner, an employee of, has an employee that is bidding as a separate entity, or is a/has a family member in another bidding company. This may also include bidders that have performed work as a subcontractor within the last three months for another bidding firm. The HACL may reject a contractor's bid if two different contractors have two separate HACL contractor accounts with one insurance certificate listing them both. The HACL may reject a successful bidder hiring a competing bidder as a subcontractor or employee on any HACL jobs in which both companies submitted a bid.

Any company meeting any of the criteria listed above and could have a contract rejected, may submit a written request to the HACL Procurement Department (prior to the bid submission date) to request that HACL consider their bid. The request should state why HACL should consider the bid, the relationship and/or business history between the two parties, and/or why the company feels that there is not a conflict of interest between the two parties bidding on the same work. A determination will be made by the HACL Contracting Officer or his/her designee before the bid submission deadline whenever possible. The HACL may not accept any written requests for consideration after the bid submission deadline.

APPENDIX A

PETTY CASH FUNDS

Department	Responsible Position	Amount
Administrative Services	Director of Housing Services	\$50.00
Resident Services	Director of Resident Services	\$0.00

It shall be the sole responsibility of the Executive Director to designate in writing to the responsible position the custody of the Petty Cash fund. Upon written request, the responsible position may request designate an employee within the respective department to serve as the custodian and administrator of the Petty Cash Fund. Final approval of this designation shall be the responsibility of the Executive Director.

APPENDIX B

CONTRACTING AUTHORITY AND ADMINISTRATION

As the officially designated Contracting Officer, I hereby designate the following positions the authority to obligate the Housing Authority of the City of Lumberton under binding Purchase Order in an amount less than \$ 3,000.00, per the Procurement Policy:

- Director of Finance/IT Services

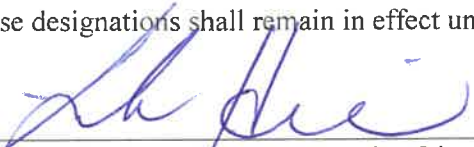
As the officially designated Contracting Officer, I hereby designate the following positions the authority to obligate the Housing Authority of the City of Lumberton under binding Purchase Order in an amount less than \$500.00, per the Procurement Policy:

- Director of Housing Services
- Deputy Executive Director

As the officially designated Contracting Officer, I hereby designate the following positions the authority to obligate the Housing Authority of the City of Lumberton under binding Purchase Order in an amount less than \$250.00, per the Procurement Policy:

- NONE

These designations shall remain in effect until revised in writing by the Contracting Officer.



Mr. Lemark Harris, Interim Executive Director
Housing Authority of the City of Lumberton